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## NEWS SUMMARY

### FT 30-share at record high

The FT 30-share index reached yesterday's peak level of 549.2, its highest since the end of last year, followed by a sharp rise to 542.2. The previous peak of 542.2 was recorded last September. The index rose 10.7 to 496.9. This compares with last September's peak of 535.5 and its all-time high of 549.2 recorded a year previously.

### UK surplus on invisible trade declines

The UK's traditional large surplus on trade in invisible items fell sharply last year, but the result of a big rise in net contributions to the EEC, and a sharp deterioration in the balance of shipping earnings. Back Page; Table, Page 8

### Big battle expected in Uganda

President Idi Amin took over the Chief of Staff of Uganda's army forces to lead them against Tanzanian-backed troops reported to be regrouping near Kaya, 50 miles from Kampala.

### Slush fund deal

General Hendrik Van den Berg and Dr. Eschel Rhoodie, central figures in South Africa's "slush funds" scandal, made a secret deal in Paris. The deal was said to be intended to stop Dr. Rhoodie asking disclosures which could use an immense crisis in the South African Government.

### Workers riot

Each steel workers, protesting Government redundancy plans, fought with riot police at a main as they tried to smash into a police station with bulldozers. A special session of parliament to discuss the unemployment crisis is expected to take place at the end of this month. Page 3

### Perjury probe

Police are investigating allegations of perjury against Tommy Docherty, former Manchester United manager, following his evidence in his libel action against former United player Willie Morgan and Granada television, which he abandoned in mid-hearing.

### ona sale

ona, the Scottish holly island which is to be sold to pay death duties, may be bought by the State. Officials of the Scottish Development Department will begin talks soon with the Duke of Argyll, the owner, and the National Trust or Scotland. Page 8

### Briefly

Foreign visitors spent about £2,302bn in the UK last year. China said that some of its forces have returned to Chinese territory after their invasion of Vietnam.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

<b>RISES:</b>	Laganvale Est. ... 23 + 9
Escheq. 12 1/2pc 1981 £1024 + 1	MFI Furniture ... 385 + 15
Escheq. 13 1/2pc 1987 £231 + 14	Muirhead ... 275 + 15
Allied Collieries ... 181 + 6	SCB ... 220 + 7
Assoc. Dairies ... 245 + 9	Sainsbury (J.) ... 276 + 16
BPB ... 270 + 13	Status Discount ... 232 + 10
Barratt Devs. ... 116 + 7	Trust Houses Forte ... 610 + 20
Bass ... 176 + 6	Unilever ... 360 + 20
Beecham ... 668 + 18	Williams & James ... 175 + 8
Brit. Car Auction ... 73 + 4	Woolworth (F. W.) ... 741 + 4
Burton Sugar ... 150 + 11	Cent. Pacific Mins. ... 470 + 70
Burton A ... 242 + 5	Pacific Copper ... 112 + 8
Caledonian Hldgs. ... 129 + 6	Pancontinental ... 850 + 75
Coral Leisure ... 129 + 6	Southern Pacific Pet. ... 200 + 30
Cornell Dresses ... 20 + 4	<b>FALLS:</b>
Diploma Inv. ... 256 + 16	Brentnall Beard ... 32 - 4
GUS A ... 354 + 16	Christies Intl. ... 140 - 9
GKN ... 251 + 9	Man. Agency & Msc. ... 184 - 3
Hall (Matthew) ... 254 + 14	Westwood Daves ... 43 - 3
Kode ... 194 + 6	De Beers Defd. ... 444 - 12
LWT A ... 157 + 10	

## EMS could start next week after France lifts veto

By Robert Mauthner in Paris

The European Monetary Scheme, whose introduction has been blocked since the beginning of the year, could start next week, President Giscard d'Estaing of France said yesterday.

The President was speaking after the Cabinet decided France should lift its reservation on implementation of the new exchange rate and change following the compromise agreement reached in Brussels by eight EEC members of farm pricing arrangements.

A report on the Brussels negotiations was made by Mr. Pierre Michaigerie, Agriculture Minister.

The President told the Cabinet that the UK's refusal to accept the compromise on the dismantling of monetary compensatory amounts, the subsidies and levies on farm trade within the Community in offset exchange-rate fluctuations, should not be an obstacle to the introduction of EMS.

Since Britain did not intend to join the new currency system for the moment, the other members could go ahead without her.

The UK's stand in Brussels was criticised at the Cabinet meeting. A statement issued said that "the French Government, like its seven partners, considered the British position on the problem of fixing farm prices to be unacceptable."

### HOW IT WILL WORK

The European Monetary System will initially consist of an exchange rate mechanism, backed by extensive credit facilities, in which the currencies of all EEC members, apart from sterling, will be closely linked to each other. Details of proposals for EMS were first put forward last July at a summit of EEC leaders in Bremen. After lengthy negotiations approval for the go-ahead was given by a further summit in Brussels early last December, at which Britain announced its intention of not linking sterling to the other currencies. In late December France unexpectedly blocked the scheduled start on January 1.

## £300m investment urged for electronics industry

By Max Wilkinson

A £300m investment programme, including large Government subsidies, is needed to prevent further decline in the UK consumer electronics industry, according to a report presented to the National Economic Development Council yesterday.

The report, which has been backed by the Government, suggests that Japanese technology should be the basis for a large part of the rescue operation.

The strategy drawn up by the consumer electronics working party of the NEDC was based on a specially commissioned report by the Boston Consulting Group.

It envisages a major restructuring of the UK consumer electronics industry into three large groups. One only of these groups, based on Thorn, would be entirely UK-owned. The second group would be Dutch-owned Philips. The third group would be dominated by the Japanese, either through UK manufacturing subsidiaries, or in joint venture companies.

The report says that UK production must be concentrated in plants with a capacity of about 500,000 television sets a year to achieve the economies of scale needed to compete with Far Eastern manufacturers.

Of the nine manufacturers in the UK, only Thorn and Philips at present had the sales volume needed to justify factories of this size.

However, four of the five major Japanese companies making television sets have now moved into the UK — two with manufacturing subsidiaries, and two in joint ventures with British companies. It is believed that all these Japanese ventures are capable of expanding production to the critical size.

The report does not spell out the consequences of the proposed £300m investment, which would be phased over five years. However, the assumption is that production in the UK would be almost doubled to about 8m colour sets a year, of which about 1m would be exported.

Not all the investment, however, would be in colour set production. The working party is anxious to see more production of audio equipment and home computers.

Yesterday, Sony said it would double investment in its television manufacturing plant in Bridgend, Wales. This was not caused by the working party's strategy, but the investment seems to be in line with its main arguments.

The Boston group's study showed that lack of investment in product design and production equipment was likely to lead to a further loss of market share by UK manufacturers unless remedial action was taken.

However, the analysis showed that UK manufacturers were competitive in overall terms with their counterparts in West Germany.

An increase in UK production would need to be matched by improvements in export marketing, the quality of UK-made components, and by the establishment of a technology centre for the UK industry, the report says.

The main purpose of the technology centre would be to ensure that the UK continued to keep a stake in the development of new products, components and production techniques.

Details Page 11  
Editorial comment Page 22

## S. African white miners strike

By Quentin Peel in Johannesburg

WHITE MINERS throughout South Africa's mining industry went on strike yesterday. In a nationwide protest against the promotion of black workers.

This unprecedented action—the most widespread stoppage by white miners since the National Party Government came to power in 1948—could cause total confrontation with the mine owners, who said last night that the strikers had dismissed themselves by their action.

The immediate cause of the one-day stoppage by up to 15,000 members of the all-white Mineworkers' Union is reported to be sympathy with an official strike by 150 union members at the U.S.-owned O'Keep Copper Mine in Namaqualand, Northern Cape.

But miners indicated they were also giving a warning against any further attempts to abolish job reservation for whites in the mines.

The Chamber of Mines, which represents all the main gold, coal and precious metal mining houses, said only a handful of pits were unaffected by the action.

A meeting of the Gold Producers' Committee (the industry's governing body) decided that the action was totally illegal, and all the workers involved had automatically terminated their employment, and would forfeit all accumulated privileges.

Crisis in S. African mines. Page 4

## UK can go on fighting — Silkin

By Christopher Parkes

BRITAIN EMERGED from this week's Council of Ministers meeting in Brussels with a guaranteed 5 per cent price increase for farmers and with its ability to continue fighting for a freeze on common farm prices unimpaired. Mr. John Silkin, Minister of Agriculture, claimed yesterday.

For the rest, he said, there was only a worthless "gentleman's agreement" on a Commission proposal for the semi-automatic phasing out of monetary compensatory amount taxes and subsidies on intra-Community farm trade.

"The eight other member countries, however, have accepted the automatic reduction of our own MCAs."

In any case, he could not see how the agreement could be made to work while he continued to block all increases in common farm prices, he told a Press conference.

Phasing out MCAs in West Germany, Holland and Belgium would have the effect of cutting farmers' prices in those countries. Increases in common prices, the Commission proposals, would be applied to offset the MCA reductions.

But since Mr. Silkin flatly refuses to contemplate such increases, and given German insistence that farm incomes should not fall, the gentlemen's agreement appears to be unwelcome.

"I don't know how they can dismantle MCAs while we want to allow them to raise common prices," the Minister said.

The Minister said he expected the 5 per cent devaluation of the "Green Pound"—the special exchange rate for sterling against the agricultural unit of account in which EEC farm prices are fixed—to take effect from the end of the month.

Support prices for beef and dairy products would rise immediately and prices for other commodities would probably be changed at the start of the respective marketing years.

Parliament, Page 12

### £ in New York

Spot	\$2.0940-0.0250	02.0225-0.0250
1 month	0.07-0.43 dis	0.50-0.45 dis
3 months	0.90-0.85 dis	1.01-0.96 dis
6 months	1.15-1.00 dis	1.20-1.00 dis

## NUPE plans to step up health dispute

By Our Labour Staff

THE National Union of Public Employees executive yesterday voted to fight on for a better settlement in the hospital and ambulance workers dispute as the Government set up the standing commission which it hopes will resolve public sector pay problems.

Professor Hugh Clegg of Warwick University will chair the commission and its first inquiries will be into the local authority, hospital ancillary workers, ambulance and university manual workers' disputes. These public sector groups have been promised 30 per cent of any increases awarded by the commission in August and the remainder in April 1980.

However, the NUPE executive — faced with a 4-1 vote by its hospital members against the peace formula and 7-1 rejection in the ambulance service — decided yesterday to keep the action going. NUPE leaders will today make plans to step up the action in the health service. Action will also be continued among ambulance men but they are again being instructed to maintain emergency services.

The ambulance settlement was also rejected yesterday by members of the Confederation of Health Services Employees although their hospital members voted to accept.

NUPE members working for local authorities have, like those in other unions, accepted the settlement and all action in the dispute should come to an end this week. But the four unions involved now face difficulties in deciding their next moves in the health and ambulance disputes.

Mr. Alan Fisher, NUPE general secretary, pointed out that the number of NUPE ancillary hospital workers alone rejecting the offer—more than 113,000—was about half the workforce. This, he said, was something the other unions must take into account when deciding the next move.

In the ambulance dispute, General and Municipal Workers' Union members have voted to accept the offer and Transport and General Workers' members are being recommended to accept in a ballot which will be declared today.

The Prime Minister made it clear in the Commons that he expected the new Standing Commission to become a normal part of the long-term machinery for pay negotiations in the public sector.

"These new arrangements should help up in future years to avoid the dislocation and hardship that the public has suffered in recent weeks," he said.

"This is a difficult area in which to determine proper rates of pay but I believe that these arrangements will commend themselves to the public as a sensible way forward."

The Prime Minister's statement was given a sceptical reception by Mrs. Margaret Thatcher and other Tories and drew some criticism from Labour Left-wingers fearing a move towards a permanent incomes policy. But Mr. Callaghan presented the establishment of the commission as the first fruit of the Government's new agreement with the TUC.

The Confederation of British Industry last night said it was concerned that the standing commission, which might have a useful part to play in the long-term reform of pay determination, would fall because of the political and industrial circumstances in which it had been created.

But the TUC, as well as the Government, is keen to see the standing commission survive beyond its immediate task of solving the public service disputes. Discussions are planned between the TUC and the Government about whether the commission should be extended to include other public sector review bodies, such as those for doctors and dentists and whether it might hear "special cases" brought by workers in the private sector.

Education authorities and teachers' unions agreed in London yesterday to study the possibility of referring the teachers' 1979 pay award to the new commission.



Prof. Clegg: Leading Commission

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### CONTENTS

Chemicals: price rises and the European industry ... 22	Marketing: Cadbury and a big brand sound ... 19
Economic Viewpoint: OECD, the third world, UK budget ... 23	Business and the law: bankruptcy in the UK and Europe ... 20
Euratom: why France is trying to change the treaty ... 3	Editorial comment: farm prices; the UK television industry ... 22
Iran: European banks count the cost of revolution ... 30	Lombard: Colin Jones on Britain's housing policy ... 20
Agriculture ... 35	European Options ... 34
American News ... 5	FT Actuaries ... 36
Appointments ... 10	Int'l. Companies ... 30-32
Arts ... 21	Jobs Column ... 14
Basic Rates ... 24	Leader Page ... 22
Business Oppts. ... 35	Letters ... 40
Commodities ... 28	London ... 26
Companies-UK ... 24-28	Wall Street ... 26
Crossword ... 20	Bourse ... 24
Con. Indicating ... 25	Technical ... 13
Entertain. Guide ... 20	Family Inv. ... 26
Europe/Markets ... 8-20	TV & Radio ... 20
European News ... 2-3	Money / Exchange ... 28
	UK News-General ... 8-10
	F. W. Woolworth ... 28

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EUROPEAN NEWS

McNamara in W. German aid talks

BY ROGER BOYES IN BONN

MR. ROBERT McNAMARA, the president of the World Bank, held talks here yesterday with Chancellor Helmut Schmidt and other Ministers about the level of West German contributions to international aid agencies.

West Germany gives about DM 2bn (£531m) towards the agency fund — over 10 per cent of the total for the period 1977-79 but it probably will be expected to contribute more for the next three-year span, because of the recent large outflow of capital.

West Germany, as one of the largest World Bank contributors, supports the principle of a larger capital base, but its exact contribution to the expanded total is still uncertain.

Mr. McNamara is expected to argue to Bonn during his three-day visit that if the Germans made a large contribution to the IDA, they could forestall the anticipated criticism at the Manila meeting.

Industrial unrest growing in Italy

By Rupert Corwell in Rome

THE WILDCAT strike by air hostesses and stewards which has paralysed flights by Alitalia and the domestic airline Itavia moved into its 16th day yesterday with no sign of breakthrough.

NUCLEAR POWER IN IRELAND Fear fuels the protesters

BY OUR DUBLIN CORRESPONDENT

DELEGATES TO the annual conference of Ireland's ruling Fianna Fail party last month were treated to the spectacle of two Cabinet Ministers publicly changing their minds.

is imported coal, and there are plans to build a coal-fired power station with an initial generating capacity of 300 MW, which could be converted to oil in the event of the discovery of a major field in Irish waters.

quickly, energy demand will rise at the same rate as it did for most of the post-World War II period.

David Satter visits Murmansk, the USSR's Arctic metropolis

Russia's 'civilised North'

THE LOW-LYING Arctic sun burns through the white mist for only a few hours in mid-winter as Murmansk, the world's largest city north of the Arctic circle, emerges from the total darkness of three months of polar nights.

Under these conditions, Murmansk could have the same difficulty holding population as new cities in remote areas of Siberia. But although 5,000 to 6,000 persons leave Murmansk every year, the city's population has grown by 8,000 a year since 1959.

But the housing stock is modern and with 400,000 inhabitants, Murmansk boasts the largest library and the only trolleybus service north of the Arctic Circle.

The most important incentive to work in Murmansk is economic. On arrival a worker receives a 40 per cent pay increase raised at six months' intervals by 10 per cent, until, after four years, he is earning at least 20 per cent of what he would have earned at a job further south.

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Murmansk has 1,000 miles north-west of Moscow at the top of the sparsely populated Kola Peninsula. There are no nearby cities of any consequence and, with little in the way of cultural facilities, Murmansk is one of the most isolated cities of its size in the Soviet Union.

This is a tribute to the complex of economic, health and recreational measures designed to keep it functioning.

Despite difficulties, however, the port, which was the destination of Allied convoys during the Second World War, was soon operating again and this reliability in a country largely frozen in winter is what has made Murmansk an essential urban centre.

The impressive harbour is used extensively by the Soviet northern fishing fleet, which is serviced by Sovryba, the Soviet Union's largest fish processing combine.

Commercial Bank of Wales Limited. Base Rate. Commercial Bank of Wales announces that, for balances in their books on and after 7th March 1979 and until further notice their Base Rate for lending is 14% per annum.

New lorry rules. REGULATIONS to reduce damage to bridges by tall vehicles, have come into force. They require the overall height, including load, to be shown in the case of some vehicles if it exceeds 12 ft as a reminder to drivers.

Bonn concern over workload of politicians

By Adian Dick in Bonn

CONCERN HAS again been expressed in Bonn about the workload of senior politicians, following the admission to hospital on Tuesday evening, for the second time this year, of Herr Hans-Dietrich Genscher, the Foreign Minister and leader of the Free Democratic Party (FDP).

ENTE NAZIONALE IDROCARBURI

ENTE NAZIONALE IDROCARBURI. E. N. I. (National Hydrocarbons Authority). 7% Sinking Fund Debentures due October 1, 1981. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on April 1, 1979 at the principal amount thereof \$1,666,000 principal amount of said Debentures, as follows:

ENTE NAZIONALE IDROCARBURI

ENTE NAZIONALE IDROCARBURI. By: MORGAN GUARANTY TRUST COMPANY of NEW YORK, Fiscal Agent. February 27, 1979. NOTICE. The following Debentures previously called for redemption have not yet been presented for payment:

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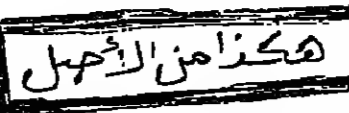
EEC output grows 2.3%

LUXEMBOURG — Industrial production in the Common Market grew by 2.3 per cent in 1978, the Community's statistics office said yesterday.

In the first half of last year, industrial growth in the nine EEC members slowed down sharply, but it picked up in the second half, so further expansion can be expected in the next months of 1979.

Table of debenture serial numbers for ENTE NAZIONALE IDROCARBURI. Columns include serial numbers and their corresponding values.

Queensland Alumina Finance N.V. 9% Collateral Trust Bonds Due 1982. NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Queensland Alumina Finance N.V. Collateral Trust Indenture dated as of April 1, 1970, U.S. \$1,000,000 principal amount of the above described Bonds have been selected for redemption on April 1, 1979, in lieu of a redemption for the purposes of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "A" as follows:



protests

# Andreotti in final bid to stave off a spring election

BY RUPERT CORNWELL

quickly, energy rise at the same time for most of the II period. This line of been strengthened through a tough distinction. A report from the suggested that growth would slow down between now and the end of the century. The demand for a new government, however, has been growing. The Green Party, led by Giuseppe Saragat, the former President, and Sig. Ugo La Malfa, leader of the Republican Party, are the main opposition forces. The decision of Sig. Pertini of a nuclear surprise here. It offers the last hope, albeit strictly limited, of a new administration.

finding a way round the political stalemate which has seemed to make elections a certainty. Everything now depends on whether Sig. Andreotti can break the deadlock between the Communists (PCI) and Christian Democrats. This in turn hinges on whether the biggest parties can agree on the key issue of two left-wing independent Ministers in the new government. Sig. Saragat yesterday made his participation in the government conditional on the presence of independents. If they do not participate, there appears no way in which either Communists or Socialists could back Sig. Andreotti. The premier designate would then be consigned to defeat. But while the Communists have indicated they could go along with a government containing non-PCI left-wingers, the Christian Democrats have hitherto flatly refused to countenance the idea, on the grounds that such Ministers would merely be "camouflaged" Communists. The re-nomination of Sig. Andreotti came after 48 hours of feverish activity here, which showed the impossibility of rebuilding a variant of the old Centre-Left formula, including the Socialists, but with the Communists in opposition. General elections in early May, despite protestations of horror at the prospect from all major parties, had seemed hourly more likely. Sig. Pertini however, has insisted all along that it is his duty to explore every means of avoiding them, and yesterday's events are seen as his final attempt to hold the politicians to their word. Two likely sequences of events remain. Either Sig. Andreotti in the course of his consultations with the parties in the outgoing Parliamentary majority will win approval for a government containing left-wing independents, one of whom almost certainly would be Sig. Altiero Spinielli, the former Italian EEC Commissioner, who was elected to Parliament on a PCI list although he is not a member of the party. In that case, the Prime Minister-designate would be able to build an administration backed by Christian Democrats, Republicans, Social Democrats and Socialists, with at least Communist abstention. If he fails, Sig. Andreotti is nonetheless committed to submitting whatever government he can form to a vote. In the event of defeat, his stillborn administration would then have the task of organising elections, for which the date of May 6 has been widely pencilled in. The crisis, now into its sixth week, will not help the Italian authorities to tackle the threat of a new upsurge in inflation, to which a number of indicators here have drawn attention in recent days. This risk is weighing heavily on the chances of the current economic recovery lasting through the year. Istat, the Statistics Institute, reported a January rise of 4.8 per cent in industrial output last night, and orders in hand make it likely that the upswing will continue until mid-1979. The recent rapid increase in both wholesale and retail prices, however, makes the prospects thereafter uncertain.

# Plan to reduce jobs at Lisnave agreed with unions

BY JIMMY BURNS IN LISBON

LISNAVE, PORTUGAL'S ship-repairing plant, is making cuts in its 10,000-strong workforce in an attempt to make the company more profitable, industry officials confirmed yesterday. According to a plan agreed by management and unions, Lisnave will reduce its labour force by 1,000 this year through an early retirement scheme, which modifies that defined until now by Portuguese law. Workers at the company have been eligible for retirement only after working for 35 years or after reaching the age of 60. The first figure has now been reduced to 10, while the age of retirement has been left optional. People who retire as a result of the latest cutback will continue to receive their full salaries in compensation for the next two years. Although orders at Lisnave have been increasing in recent months, the company has been adversely affected by the depressed state of industry internationally, rising costs and the domestic credit squeeze. Lisnave, whose operations account for some 5 per cent of Portugal's total export earnings, is expected to record a loss of some Es 500m (£5.15m) for 1978, compared with a loss of Es 241m (£2.49m) in 1977. The latest cutbacks expected to take place in two phases, are clearly the product of a compromise between management and unions in a politically sensitive area of Portuguese industry. The privately-owned Lisnave was at the centre of industrial militancy during the revolutionary upsurge here in 1975, and crippling stoppages resumed last year. Significantly, details of the early retirement scheme are now only beginning to emerge after having been veiled in secrecy since discussions began last month.

# French seek to modify key part of Euratom Treaty

BY GUY DE JONQUIERES IN BRUSSELS AND ROBERT MAUTHNER IN PARIS

FRANCE intends to send a Memorandum to its European Community partners asking for modification of a key chapter of the Euratom Treaty which has been unilaterally restricted by its independent nuclear policy. The French would have been content to let sleeping dogs lie in the European Commission and Court of Justice had not started to demand strict interpretation of the treaty, in sharp contrast to the leeway previously accorded to member-States. In effect, France wants to end the absolute control of the Euratom supply agency over nuclear fuels produced in the Community, on which it has a right of opinion, as well as the agency's exclusive right to conclude supply contracts for nuclear ores and fissile materials. The French Government, harassed by the Gaullist Party which argues that the Euratom Treaty makes a mockery of France's independent nuclear force and its civil nuclear projects, has been struck particularly by two recent decisions by the Brussels Commission and the European Court of Justice. The first was the Commission's veto of a proposed uranium supply and nuclear safeguards agreement between the UK and Australia, on the grounds that member-countries were prohibited by the treaty from signing bilateral contracts. The French, who saw their own nuclear independence

threatened and were keen to conclude similar bilateral agreements, were even more upset by this ruling than the British. The second was a ruling by the European Court of Justice last November that only the European Community, as distinct from individual member-States, could sign an international atomic energy agency convention on safeguards for the transport of nuclear materials. What made things worse, as far as France was concerned, was that the court's ruling also included some strong language on the need to respect the controversial Chapter Six of the Euratom Treaty, which the French want to modify. While full details of their proposals are not yet available, officials said France wanted to end the monopoly of the Euratom supply agency and give it no more than an ancillary role. The French also want to protect their industrial interests, particularly the international links of their nuclear industry. In Brussels, there has been mild relief that France has dropped its earlier aim of a wholesale revision of the Euratom Treaty and is now apparently seeking a more limited "adaptation" of its more restrictive provisions through the mechanism laid down in Article 76. But it is not clear that the distinction between these two tactics will be very great in practice. It is also feared that the French demands, if pushed too far, could provoke strong opposition from a number of its EEC partners — not least Germany. The result could be a politically-charged row which could split the Community. Much will depend, of course, on the precise proposals advanced by France and the terms in which they are couched. Failing such agreement, new provisions should be adopted in Bonn and the Benelux capitals, to the idea of tinkering

with the EEC treaties at all, lest this lead to the unravelling of other strands holding the Community together. Critics of France may well point out, too, that the EEC has tried on three previous occasions — most recently four years ago — to agree on adaptation of the Euratom Treaty under the provisions of Article 76, but that each time the discussions became bogged down. Behind these objections lies a deeper suspicion about France's motives. The smaller countries, particularly Belgium, fear that Paris may want to undermine one of the central principles on which the Euratom Treaty is founded — the creation of a single market in nuclear supplies. They are concerned that France may use its political weight as a military nuclear power to acquire commercial advantages in the civil nuclear field, and perhaps dictate to its EEC partners the terms on which it is prepared to carry out operations such as the reprocessing of spent nuclear fuel. Such questions also worry Germany, which has traditionally insisted that there should be no discrimination between EEC states in the civil nuclear field. Against this, it may be argued that the far-reaching monopoly powers over civil nuclear supplies vested in the Euratom Treaty have never been exercised, and that in any case they were designed in an earlier day. Single industry Moreover, France would not doubt assert that the creation of a single EEC nuclear industry envisaged by the Euratom Treaty is unlikely to be realised in the foreseeable future. The French viewpoint, with its emphasis on national independence in the nuclear field, evidently strikes a chord with

# Foreign investors hold off

BY OUR LISBON CORRESPONDENT

LACK OF incentives and the continuing political instability here are still deterring foreign businessmen from making substantial investment in Portugal, according to an inquiry published yesterday by the leading state-owned newspaper, Diario de Noticias. The EEC Commission is acutely aware that it could be caught in an awkward political cross-fire between France's demands and the obligations imposed on Brussels by the European Court decision last year to enforce the Euratom Treaty provisions more fully. A special task force has been set up inside the Commission to try to search out grounds for compromise. But at present, officials appear undecided whether to lend support to the French case or rather, to try to work out a more flexible formula for applying the treaty's provisions as they stand. The main issues raised were Portugal's labour laws, which make it difficult to dismiss staff, restrictions on capital transfers, and the Government's strict price policy. While accepting that the foreign investment code, published two years ago, had helped create a "more generous climate", investors are still troubled by the Government's failure to settle the question of indemnities for companies nationalised, or seized illegally by workers, following the 1974 revolution. Meanwhile, the Parliament yesterday announced that debate on the budget and short-term economic plan had been delayed for another week until March 18.

ROCARBU

# Giscard may try to delay special Assembly session

BY ROBERT MAUTHNER IN PARIS

THE EXTRAORDINARY session of Parliament, demanded by M. Jacques Chirac, the Gaullist leader, to debate the unemployment situation, is expected to take place later this month. The Communists have now joined the Gaullists and Socialists in signing the identical letters required by the Constitution for the recall of Parliament for a special session. The Gaullist leader's demand is therefore certain to obtain the signatures of the necessary absolute majority of National Assembly Deputies. The only question over the session is whether President Giscard d'Estaing will sign the decree convokeing Parliament. But, given the present climate of industrial unrest and discontent, it is expected that he will comply with the wishes of the majority of the country's elected representatives. The President will not make his decision, however, until Sunday, after his return from an official visit to Romania. Since the National Assembly is, in any case, due to be recalled for a normal session on April 2, the President could well try to delay the extraordinary session until just before that date. That would be an attempt to show the country that the whole exercise was no more than a political manoeuvre. Meanwhile, M. Chirac, whose prestige took a knock earlier this week when his closest political adviser, M. Yves Guena, a former Minister and secretary-general of the Gaullist Party (RPR), resigned, has moved quickly to repair the damage. By appointing M. Claude Labbé, the leader of the Gaullist parliamentary group, to succeed M. Guena, M. Chirac clearly hopes to defuse some of the criticism of the way the party is run.

# Steelworkers battle with riot police

DENAIN — Steelworkers whose jobs are threatened by government plans to restructure the industry fought steel battles with riot police yesterday after they tried to storm the main police station here. A crowd of about 1,500 brought up bulldozers in an attempt to smash down the door of the building in its industrial town near the border, eyewitnesses said. A strong force of riot police beat off the attack under a hail of stones from angry demonstrators. Two steelworkers were reported seriously hurt in the fighting. The steel restructuring plan would mean an estimated 21,700 redundancies nationwide by the end of next year. Denain and the town of Longwy in Lorraine would be the places worst hit by the cut-backs. Réuter

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A complete set of rules is available on application from the Philips Video Age competition address.

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I entered the Video Age with Philips because \_\_\_\_\_ F.T.S.

1. Where were the very first TV transmissions made?  
(a) U.S.A.; (b) Holland; (c) Great Britain.

(Complete in no more than 10 words. In the event of a tie for any prize, the most apt and original tie-breaker will win.)

Name \_\_\_\_\_

Address \_\_\_\_\_

2. When was colour TV first publicly broadcast in the United Kingdom?  
(a) 1963; (b) 1967; (c) 1970.

3. Satellites are now an important link in worldwide TV broadcasts. Which was the first communications satellite?  
(a) Spurnic; (b) Apollo 9; (c) Echo 1.

4. Who is credited as the inventor of television?  
(a) John Logie Baird; (b) Thomas Edison; (c) Alexander Graham Bell.

5. Which company pioneered domestic video recording in the U.K.?  
(a) Philips; (b) JVC; (c) Sony.

Date of purchase or signing of rental agreement \_\_\_\_\_

Dealer's name and address \_\_\_\_\_

Model No. \_\_\_\_\_ Serial No. \_\_\_\_\_

Put your answers in the boxes provided.

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15, 1975, providing for the above Notes, \$398,000 principal amount of said Notes bearing the numbers set forth below have been selected for redemption on April 15, 1979, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of U.S. \$1,000 as follows:

Outstanding Notes bearing serial numbers with the prefix letter "M" and ending in the following two digits:

Also Notes bearing the following serial numbers with the prefix letter "M":

83	1893	3783	6183	8083	9983	11383	12983	14483	16283	18383	20283	22583	25183	27783	30283	32183
443	2083	4183	6383	8483	10583	12683	14783	16883	18983	21083	23183	25283	27383	29483	31583	33683
793	2293	4393	6493	8593	10693	12793	14893	16993	19093	21193	23293	25393	27493	29593	31693	33793
943	2493	4593	6693	8793	10893	12993	15093	17193	19293	21393	23493	25593	27693	29793	31893	33893
1293	2693	4793	6893	8993	11093	13193	15293	17393	19493	21593	23693	25793	27893	29993	32093	34193
1643	2893	4993	7093	9193	11293	13393	15493	17593	19693	21793	23893	25993	28093	30193	32293	34293
1993	3193	5293	7393	9493	11493	13593	15693	17793	19893	21993	24093	26193	28293	30393	32493	34393

On April 15, 1979, the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or at the office of The Industrial Bank of Japan Trust Company in New York City, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris, or the office of The Industrial Bank of Japan, Limited in London, or the office of Industriebank von Japan (Deutschland) Aktiengesellschaft in Frankfurt am Main, or the office of The Industrial Bank of Japan (Luxembourg) S.A. or the main office of Banque Generale du Luxembourg in Luxembourg, or the main office of Banca Vorwiler & C. S.p.A. in Milan or Rome, or the office of Banca di Amsterdam, or the main offices of Banca Vorwiler & C. S.p.A. in Milan or Rome. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City. Coupons due April 15, 1979, should be detached and collected in the usual manner. On and after April 15, 1979, interest shall cease to accrue on the Notes herein designated for redemption.

### THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

Dated: March 8, 1979

NOTICE

The following Notes previously called for redemption have not as yet been presented for payment:

M-97	153	231	709	797	979	284	1723	3179	12890	16434
M-154	236	703	710	768	784	284	1717	3173	12880	16428

OVERSEAS NEWS

CRISIS IN SOUTH AFRICA'S MINES

Black workers still face 1922 demarcation

BY PAUL CHEESERIGHT RECENTLY IN JOHANNESBURG

"WORKERS OF the world unite—and fight for a white South Africa." The slogan, as it happens, was adopted by a commando of the white Mine-workers Union in 1922 when there was a bloody strike against the plans of the gold mine owners to set aside certain categories of semi-skilled work for black employees.

Such an exclusive view of proletarian solidarity would now be just a curiosity were it not for the fact that the present leaders of the Mine-workers Union adopt precisely the same attitude in the face of what is these days called black advancement—a movement which would create black miners out of black labourers.

There is a strong element of historical continuity in the outlook of the white mine employees towards the blacks and this is enshrined in law. Acts of 1911 and 1926 define what black employees can and cannot do in the gold mines and in effect these maintain the wage superiority of the whites and create an economic colour bar.

Attempts to erode this bar have periodically been made by the mining houses largely because, at least until the 1960s, the application of these acts curbed the use which could be made of cheap labour.

Today black mine-workers total more than 400,000, and they outnumber whites by ten to one. The gold mines are, indeed, the largest employers of black labour in South Africa.

Labour patterns have been changing for some years. As an Anglo-American Corporation document of June 1972, signed by Mr. Harry Oppenheimer, the chairman put it: "The fundamental cause is the fact that the economy has expanded to a point where the white population is not capable of manning it in terms of the traditional colour bar system."

The Nationalist Government accepts this to the point that it has embraced a policy against job discrimination as such. But changes, it argues, should be negotiated with the unions. Thus the Mine-workers Union still has considerable power of obstruction.

And the power is solidly based both at a political and industrial level. In the first place the union's Afrikaner leadership has close ties with the Government. Secondly, the Chamber of Mines, which groups together the seven mining-house employers and acts as the industry negotiating body, is less strong than the sum of its parts. The necessity to establish a unanimous position out of divergent priorities reduces negotiating flexibility and cuts the scope for hold initiative. It is a weakness the Mine-workers Union can exploit.

Arguably the industry has now reached a position from which it cannot turn back, and it is this which weakens the position of the Mine-workers Union at an economic level. Money being spent on higher black wages, improved accommodation and so on is changing the cost structure of the industry at a time when productivity generally is declining. Mines have to be more flexibly run and they need a more stable labour force. Stability and flexibility do not run hand-in-hand with a statutory colour bar.

The total cost of employing black labour in 1977 amounted to 23.8 per cent of operating costs, compared with 16.1 per cent in 1965. Black wages have risen sixfold since 1972 and the gap between them and white labour costs has narrowed.

Mr. Oppenheimer, the best known industry proponent of black advancement whose group produces 40 per cent of South African gold, made clear in 1972 that "actions taken in terms of the labour policy will have to be pragmatic."

The main factor behind early moves to push up black wages was not humanitarian but economic and political. For decades the gold mines had drawn in cheap labour from neighbouring countries—there

had been little inclination among the traditionally rural South African blacks to work in the mines. But in the early 1970s the external political atmosphere began to change.

The first result was a radical redistribution in the racial composition of the black workforce which brought the industry face to face with wider movements for social change within South Africa. The gold mines were no longer a local industry using foreign labour but a local industry using local labour.

The second result was that the two lines of an old argument, going back to the turn of the century, began to crumble. In essence these were whether the gold mines were better off with a large, cheap black labour force or whether there should be a push towards greater mechanisation and the use of more capital-intensive mining techniques.

Since the early 1970s there has been some departure from the first line of argument, which was the industry norm, but only limited movement down the second. Yet the ability of the industry to pay a large black workforce higher rates than at present is intertwined not only with the narrow issue of mechanisation but with the wider question of productivity. Assuming normal business practices, an increased cost in one place has to be met with a decrease in another or a rise in the product selling price.

While the liberation of gold from its old official price of \$45 an ounce has given the industry greater financial strength, this has been offset to a considerable extent by the higher tax liability, the escalation in running costs, the generally lower grade of ore which has to be mined, the greater costs of mining deeper and deeper and a shorter working fortnight.

In 1977 South African gold output was at its lowest level for 16 years, and last year was only slightly higher. In short, the industry needs to produce more. Higher production would be the pay-off for higher wages and better working conditions.

The industry may acknowledge social responsibility, but it does so within its own economic context.

The first essential condition for higher production is a more stable labour force. There is little point in training a man for a job if he is only going to work at it for a few months. It is at this point that industry plans run into the problems caused by the Government's homelands policy, the wider application of the colour bar.

Black mine workers come from the homelands on short-term contracts. With family ties and agricultural responsibilities in the homelands there is little reason for them to adopt permanent, monastic residence in the hostels of the mines. The Chamber of Mines is now offering bonuses for those who will opt for re-engagement. The nearest the mines are likely to come towards a permanent labour force is a circulating body of workers. There is little chance that the system of migrant labour will be abandoned.

But the industry is seeking to minimise the effects of this system by building mine townships so that eventually 10 per cent of the black labour force will be permanently housed. Government regulations at present allow for the housing of 3 per cent, but the industry has so far achieved only 1 per cent.

The opening up to blacks of skilled jobs underground depends on winning the Mine-workers Union's agreement to the abandonment of statutory job reservation, symbolised by a law which gives only whites the right to hold a blasting certificate and thus the right to break up the rock.

Ironically, about the only immediate concession the industry can offer the Mine-workers Union for giving up what it considers a natural right is a five-day week, the chance to work less when the economics of the situation suggest they need to work more.



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Oil majors start talks on Iranian supplies

By Andrew Whitley in Tehran

OIL COMPANIES from around the world, including most of the "majors", have begun negotiations in Tehran on long-term purchase contracts with the National Iranian Oil Company.

Western oilmen are engaged in a high stakes guessing game with each other and with the smaller, independent companies from Japan and Western Europe anxious to exploit the opportunities presented by the loss of the BP-led consortium's privileged position.

Sig. Giorgio Mazzanti, the chairman of the Italian state oil company ENI, is expected in Tehran this week-end. A team from its French counterpart, CFP, may also come shortly.

CFP is known to have already opened talks with Iran. At least three Japanese oil concerns, including the Mitsubishi company, have either begun discussions or are expected to do so soon.

The indications here are that the 14 members of the consortium, Iran Oil Participants (IOP), are acting independently in trying to secure their future supplies, following Iran's refusal to deal with them as a group.

With NIOC actively "talking up the market," as one foreign diplomat put it yesterday, the "majors" face a difficult dilemma. Unless they initiate serious negotiations for Iranian crude they are liable to lose out to their more aggressive, smaller rivals in the competition to secure a share of what is still an important oil source even if it is only half its previous size.

But early interest will also help to maintain the high prices average on spot contracts already signed.

Local concerns say NIOC has already concluded five agreements for the export of crude oil. The third shipment since Monday's restart, purchased by Ashland Oil of the U.S., leaves Iran today. Loadings are to take place every other day for the next fortnight.

Production yesterday was said to be up to 2m barrels, which would allow an export surplus of some 1.3m barrels.

Bazargan denies he has quit as pressures grow

BY ANTONY McDERMOTT AND ANDREW WHITLEY IN TEHRAN

REPORTS that Dr. Mehdi Bazargan, the Prime Minister chosen by the Ayatollah Khomeini to head a provisional Government, has resigned, have gained such strength that one newspaper here reported it at length on the front page yesterday. But the Prime Minister's office has denied the resignation.

Two weeks ago, however, Dr. Bazargan threatened to resign because of the challenge to his authority by local committees. This threat, and the latest reports, emphasise again how vulnerable his position is. Fears exist that the troubled political situation could descend into chaos if he resigned, and few observers can think of a successor broadly acceptable to the groups and parties jostling for power.

Dr. Bazargan's weakness stems from the fact that there are two Governments in Iran with little to link them. On the one hand, there exists the shadowy and unstructured Government by Islamic committees and subcommittees, directed by the Ayatollah Khomeini from Qom, 90 miles south of Tehran.

On the other, there is Dr. Bazargan's Government, formal in the sense that he has a Western-style Cabinet. But outside these two "Governments" are thousands of self-appointed and unco-ordinated committees, carrying out their own arrests and justice before revolutionary courts, usually in the name of Islam.

Two incidents suffice to show the isolation of the Prime Minister. First, Dr. Bazargan was unaware of the initial executions of generals until the following morning.

Second, last Saturday, armed militiamen arrested Mr. Ahmed Banihashad, a former Majlis Deputy and long-standing opponent of the Shah, outside the Premier's Office while he was on his way to meet Dr.

Bazargan. Since then, the Prime Minister has been unable to get him out of Qasr Prison. Most important of all, a constant and embarrassing stream of contradictory statements on policy has come from the Governments in Qom and Tehran.

Dr. Bazargan's Government is under pressure from all quarters. The Left, notably the Islamic radical, Mujaheddine-Khalqi, are seeking a presence in the Cabinet. The Ayatollah has pronounced strongly against the Left.

Perhaps the most interesting and potentially powerful challenge came earlier this week when Mr. Hedayatollah Matine-Daftari, a grandson of Dr. Mohammed Mossadegh, the former nationalist Prime Minister, announced the formation of a National Democratic Front.

This swelling of middle-ground nationalist and secular forces was given a further boost yesterday with the announcement of a new organisation, the Society of Socialists of the National Movement of Iran, had been formed.

This represents the younger and more active members of the National Front, the traditional party of opposition to the Shah, and echoes the views of the NDF. With these two parties in existence, the NF is virtually defunct.

Reuter adds: Iran's bank clearing system is set to resume normal operations on Sunday after a five-month interruption according to central bank officials.

Dr. Ali Movlavi, new governor of the central bank, yesterday mapped out highly conservative monetary policies and said international creditors had nothing to fear.

Iranian private banks would not be nationalised, nor would the foreign role of the Iranian banking system be eliminated, and Iran would scrupulously honour its foreign debt.

Cairo doubts about Carter visit

BY ROGER MATTHEWS IN CAIRO

SEVERAL EGYPTIAN Cabinet Ministers have indicated privately that they will vote against a peace treaty with Israel if it appears unlikely to win the support of other moderate Arab states.

One Minister said yesterday: "I am astonished by President Carter's visit and the fact that he appears willing to risk his presidency on such flimsy grounds. I and my colleagues cannot support a bilateral peace treaty which does not form the real basis of a comprehensive Middle East settlement."

As hectic preparations continued in Cairo for Mr. Carter's arrival today, former senior Ministers also said they were bemused by what appeared to them an emotional U.S. decision and by the "colossal effort" that was being made to get President Anwar Sadat's signature to a peace treaty.

They feared that Mr. Carter would be unable to bring sufficient concessions out of the Israelis to prevent a hostile wave of anti-Egyptian feeling in the rest of the Arab world. One present cabinet minister added: "From what I understand of the latest proposals I do not think we can sign a peace treaty and be consistent with everything we have said in the past 18 months. Neither do I think that Israel is willing to sign a treaty that would provide a just solution to the Palestinian problem."

Concern was also voiced at the timing of the U.S. decision to order the aircraft carrier, Constellation, and supporting warships to the Gulf. One senior official said there was a risk that the decision would add to the feeling in the rest of the Arab world that President Sadat was being sought by the U.S. as a replacement for the Shah.

A carnival-style welcome is being planned for Mr. Carter and his party of 500, which includes 200 journalists. It is expected that he will have three formal sessions of talks with Mr. Sadat. He is also expected to address the People's Assembly (Parliament) and to visit Alexandria.

Supreme Court split may save Bhutto

By Chris Sherwell in Islamabad

THE POSSIBILITY emerged yesterday that Mr. Bultukar Ali Bhutto, the former Prime Minister, might yet escape the death penalty on legal grounds because of a further difference of opinion among the Supreme Court judges hearing a review of the judgment they passed down last month.

The seven-member court then confirmed by a 4-3 majority the death sentence passed on Mr. Bhutto in the Lahore High Court.

In a tense atmosphere in the Supreme Court yesterday, Judge Salfar Shah—one of the three judges who had earlier entered a minority opinion for Mr. Bhutto's acquittal—asked what would happen if one of the four majority judges changed his mind either because of a genuine error in judgment or because he believed that the death penalty was not appropriate.

The question has inevitably intensified the belief here that one of the four judges is indeed reviewing his opinion—a possibility that could mean that Mr. Bhutto might be sentenced to life imprisonment instead of being hanged.

Belgian paratroop pullout in Zaire strains relations

BY OUR FOREIGN STAFF

BELGIUM'S DECISION to pull its 250 paratroopers out of Zaire next week has provoked more speculation about strained relations between Brussels and Kinshasa. At the same time President Mobutu Sese Seko has announced a Cabinet shake-up which brings Mr. Nguza Karl I Bond back into the Government as Foreign Minister.

The appointment of Mr. Karl I Bond is a remarkable turn in fortunes for a man who was sentenced to death for treason by President Mobutu in September 1977. Observers say that one of the main reasons for the treason charge was the Western Press's insistence on citing Mr. Karl I Bond as a possible successor to the President.

The Belgians say they are withdrawing their paratroopers on March 15 at the end of their training mission. A Foreign Ministry spokesman said it had been planned that the troops should stay for six weeks to help train Zaire's army. But there have been reports that the troops were also there to protect Belgian citizens in the country against the possibility of violence.

The strained relations between Zaire and its former colonial master began with the second invasion of the southern Shaba mining province by Katangese rebels last summer. President Mobutu is thought to bear the Belgians a grudge because the French responded more quickly to his call for foreign intervention to drive out the invaders.

Diplomats say that the return of Mr. Karl I Bond to office is a hopeful sign. But the recent reports that Zaireans were still evading the strict conditions imposed by the International Monetary Fund team, in the country at present has reinforced the gloomy predictions of the future of the giant copper- and cobalt-rich nation. The reports said that \$3m worth of the strategic mineral cobalt had been sold on the open market and the receipts had not passed back to the Zaire Central Bank as demanded by the IMF team.

Mr. Nguyen Viet Nam vice-chairman of the committee for relations with foreign countries, said the Chinese had failed in their drive to capture major provincial capitals in the north of the country.

Meanwhile, Laos has joined Vietnam and the Soviet Union in accusing China of threatening its security by sending several army divisions to the border.

Hanoi attacks 'acts of war'

BANGKOK—Vietnam said yesterday that it would allow Chinese troops to withdraw provided they committed no acts of war, but claimed that these were still continuing.

Radio Hanoi, monitored in the Thai capital, said all of these withdrew beyond the historic boundary between China and Vietnam.

Nhan Dan, said there were indications that the Chinese had begun withdrawing some of their troops on Tuesday night. But he added that they still had 18 divisions inside the country. "It is to be seen if all of these withdrew beyond the historic boundary between China and Vietnam."

Mr. Nguyen Viet Nam vice-chairman of the committee for relations with foreign countries, said the Chinese had failed in their drive to capture major provincial capitals in the north of the country.

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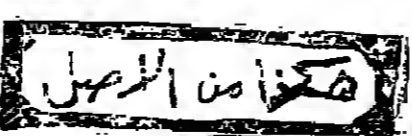
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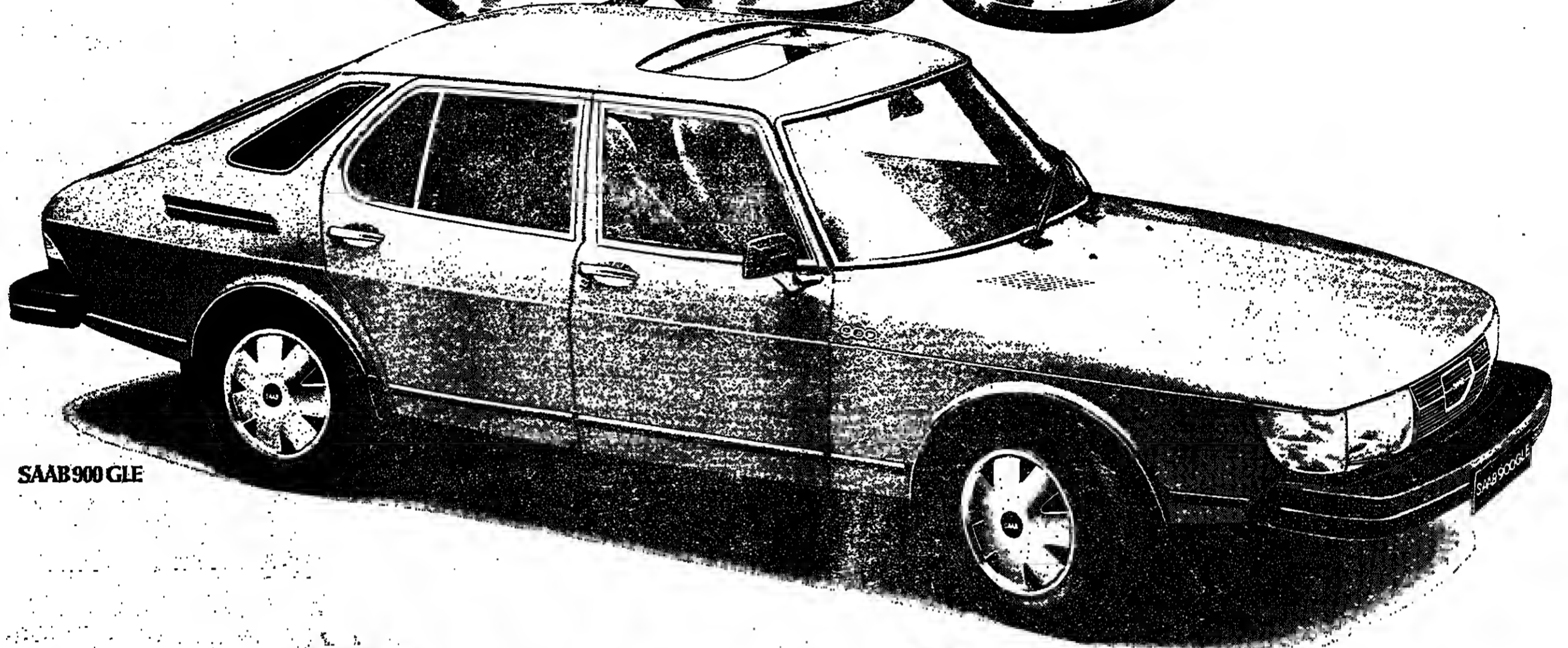


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### Leading in Performance

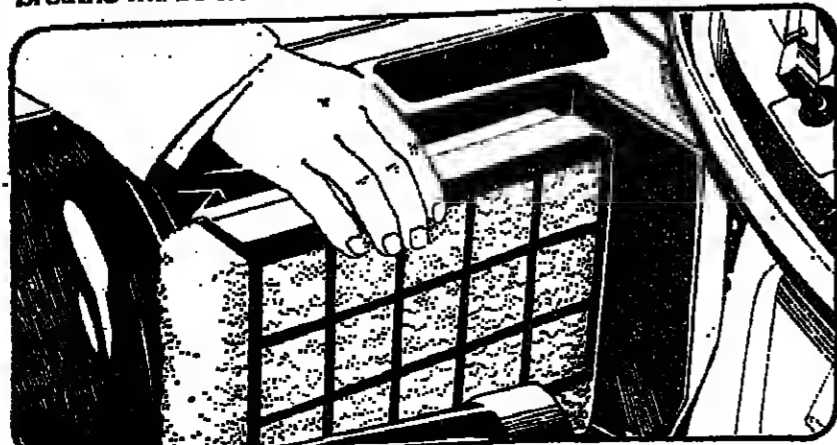
The SAAB 900 has the power of a leader. The outstanding turbo-powered models give two litre efficiency and power in the high performance—plus league, (145 bhp din). It's exhilarating, reliable and unusually satisfying to drive. The fuel injection EMS and GLE models deliver a powerful 118 bhp din. The twin carb. 2 litre GLS models at 108 bhp din will give you executive-style cruising at motorway speeds. The single carb 2-litre model 100 bhp din gives you comfortable motoring. Rally proven, the SAAB 2 litre engine is a superb example of the best in Swedish engineering.

### Leading in Driveability

The SAAB 900 enforces new levels of road holding and handling. It is designed to obey your every command. Designed so you experience complete control. Front wheel drive gives increased traction. Steering geometry advances reduce lateral acceleration or "body swing". This means safer, relaxed motoring and increased comfort for passengers. The steering is more responsive and the directional stability gives consistent behaviour regardless of road conditions and load. On the turbo and automatic models you'll find power-assisted steering as standard. But not just any power steering. At speed our power steering gives you the same response and control as a SAAB 900 without P.A.S. You'll only notice it when you need it, in town or parking.

### Leading in Comfort

A remarkable SAAB 900 first is the filtering of all air entering the driver/passenger compartment. A new filter removes most contaminants even pollen. So inside the SAAB 900, the air you breathe will be cleaner than that outside.



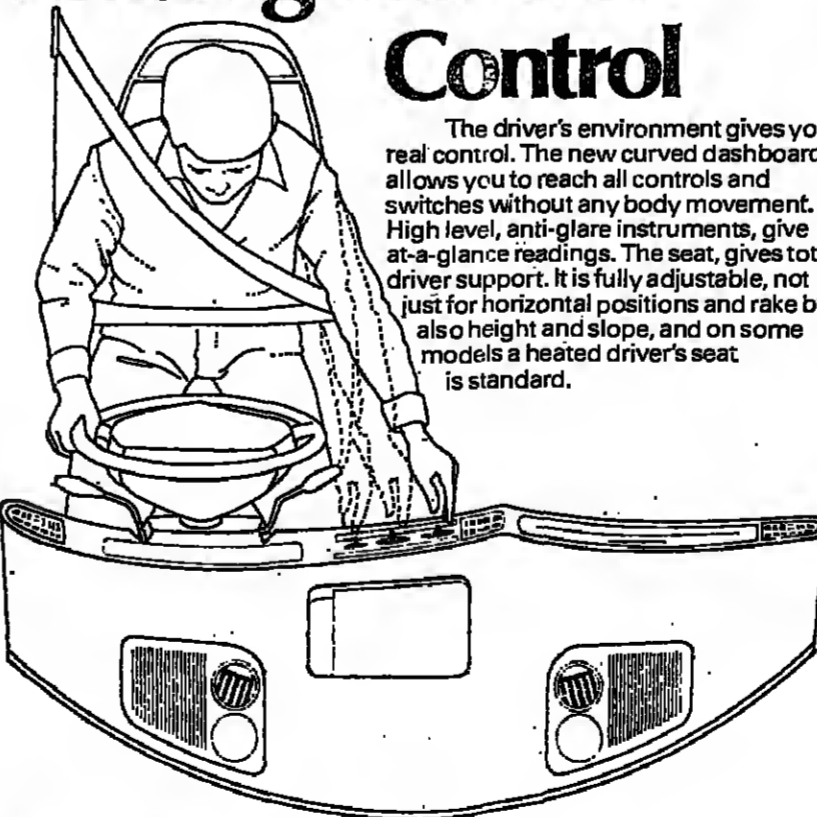
The unique air filter can easily be removed when necessary. Also our designers have allowed for possible air-conditioning needs.

The SAAB 900 is roomy and spacious. To give some idea, it's slightly longer than the Rover 3500. But inside you'll notice the difference—velour upholstery and trim, exude luxury. On the top models there's even seat belts and head rests for the rear passengers.

The heating and ventilating system is also unique. It provides a constant level of warmth—once set—through outlets including a demister for the side windows. Exceptional sound insulation will protect you from the hassle of the outside world.

### Leading in Driver Control

The driver's environment gives you real control. The new curved dashboard allows you to reach all controls and switches without any body movement. High level, anti-glare instruments, give at-a-glance readings. The seat, gives total driver support. It is fully adjustable, not just for horizontal positions and rake but also height and slope, and on some models a heated driver's seat is standard.

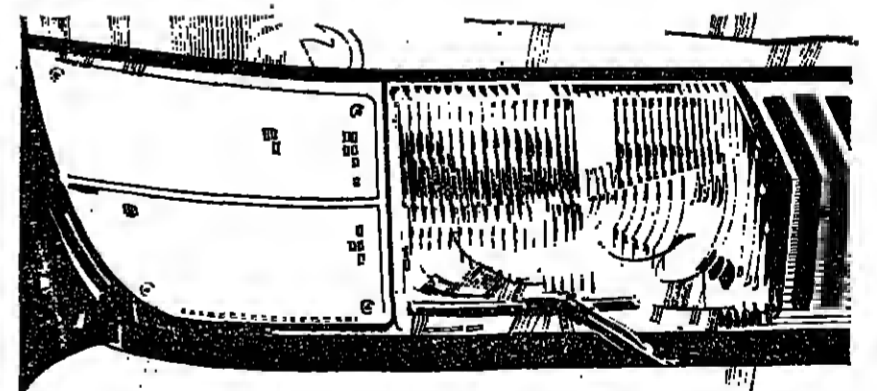


### Leading in Safety

The SAAB 900 incorporates many new safety features. Including further developments of the steering wheel designed to actually help prevent injury rather than just reduce it.

A unique mesh bellows mounted on the steering column acts as a cushion in the event of a serious collision. Another unique development below the dashboard, protects knees and legs. And the staged crumple zones backed up with the most rigid passenger safety cage really protects those inside.

All SAABs have disc brakes on all four wheels. A diagonally split-braking system and semi-metallic outside front brake linings (another SAAB first) give increased efficiency.



The new SAAB 900 is an exceptional car. All models include other SAAB firsts as standard i.e. headlamp washers and wipers, efficient energy-absorbing bumpers, heat and sound insulation roof lining. The rear seats of the 900 will fold down to give you over 5 feet of flat loadspace and there's no awkward sill to lift over. Inside is a cavernous 53 cubic feet of luggage space.

The SAAB 900 is a very advanced car but words can tell only so much. For such a car, driving is believing, so why not take advantage of our no-obligation test drive offer at any one of our nationwide network of enthusiasts. You'll soon appreciate why the SAAB 900 is the car Born to Lead.

### The SAAB 900 Range

3 dr GL	2 litre hatchback single carb.	£5,525
3 dr GLS	2 litre Hatchback + twin carbs.	£5,775
3 dr GLS Auto	Power steering as standard	£6,225
5 dr GLS	2 litre Hatchback + twin carbs.	£5,995
5 dr GLS Auto	Power steering as standard	£6,565
3 dr EMS	Sports coupe hatchback. Low profile tyres alloy wheels	£6,995
5 dr GLE	Fuel injection, automatic, power steering, steel sunroof, tinted glass, heated front seats, radio cassette player	£7,675
3 dr Turbo	Turbo-charged power. Ultra low profile tyres, steel sunroof, tinted glass, radio cassette player	£8,675
5 dr Turbo	With the new TRX tyres for comfort and control. Radio cassette player	£8,995

Prices quoted and specifications are correct at time of going to press and include seat belts, car tax and VAT. Delivery and number plates extra. All SAABs are covered by unlimited mileage guarantee for 12 months + extra 12 months for engine and gearbox.

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UK NEWS

# Scottish industry plans U.S. campaign

BY RAY PERMAN, SCOTTISH CORRESPONDENT

COMPETITION to attract American investment, particularly in the electronics industry, is intensifying between the Scottish Development Agency and its counterpart in the Irish Republic.

The two bodies have already clashed over attempts to lure the Dallas-based semiconductor manufacturer, Mostek, and the bidding has become so competitive that each has privately alleged the other has exceeded European Commission guidelines on industrial inducements.

Mostek, which wants to invest £20m in a micro-chip plant which could eventually employ 2,000 people, is expected to make its decision before the end of the month.

The Scottish agency believes it must match Irish profes-

alism if the UK is to secure a share of similar investments in the future. In doing so, it is going further than other regional authorities in Britain, which rely on central Government departments for overseas promotions.

The agency has already appointed a representative in New York and within the next few weeks he will be joined by a second, recently recruited from one of the U.S. offices of the Irish Development Agency.

Two marketing tours of major U.S. cities are also being made this year, the first next month and the other in the autumn.

The April tour is specifically aimed at the electronics industry, and will include Dallas, Los Angeles and San Francisco, where some of the major com-

panies are based.

In the past, the Scottish agency believes, British promotional efforts have been hampered by the fact that interested firms have been passed from one body to another and not given a clear overall idea of what sites are available and what incentives are available.

To overcome this, it is bringing together for the U.S. tours all bodies concerned with industrial attraction in Scotland, including regional authorities and the Scottish Economic Planning Department.

On the advice of U.S. consultants, elected members have been excluded from the tour party and councils will be represented only by full-time officials concerned with industrial affairs.

# Industry 'could train diplomats'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A GREATER interchange of personnel between industry and the diplomatic service was suggested yesterday by Dr. David Owen, the Foreign Secretary, as a means of improving Britain's overseas trade services.

Dr. Owen, speaking at the monthly meeting of the National Economic Development Council, said that industry could help if career diplomats were allowed to come on short-term training assignments, or if longer-term places were provided for members of the diplomatic service in exchange for someone from industry serving in an overseas mission.

He said that much higher priority was being given by the diplomatic service to representing Britain's commercial interests. The Confederation of British Industry, however—although supporting the efforts of the diplomatic service—said that there could be a significant improvement in the Government's export promotion services conducted at home.

The image of British industry

portrayed in the British Press aroused some concern at the meeting. Dr. Owen said that the foreign Press "feeds off the British Press for its stories about Britain," and this was giving rise to significant problems in trying to attract investment by foreign companies in this country.

Foreign delegations—such as that from Japan which had been here for the past two days—often expressed surprise when they found that British industry was in a better state than would seem from the Press.

The need to anticipate competition from the newly industrialising countries in a growing number of sectors was emphasised by Mr. Geoffrey Chandler, National Economic Development Office director-general. Competition in engineering, machinery and electrical goods were likely to be added increasingly to that in textiles, clothing and footwear. Where these countries have already made a big impact.

# British business graduates paid less in UK

BRITISH BUSINESS graduates earn considerably less than their counterparts in other countries according to a survey of 4,000 masters of business administration world wide.

The study conducted by management consultants Egon Zehnder found the British executive throughout his career earned markedly less than similarly qualified managers in the U.S., Japan and the major European countries.

British business graduates aged 35 to 39 working in the UK earned about £11,100-£12,500 according to the survey. In Germany a similarly aged and qualified executive earned £27,500-£33,300 which compares with £20,800-£22,300 in France and £20,800-£22,200 in the U.S.

The survey also said that nearly 33 per cent of British executives questioned said that they were actively seeking another job which compares with 14 per cent in Switzerland and 28 per cent in France.

More MBAs went into banking than any other sector with management consultancy the second most popular career choice which was consistent in most countries. One in four business graduates work in finance and control and about 20 per cent work in marketing.

# More UK ships lying idle

BY LYNTON MCLAIN

THE VOLUME of world shipping idle at the end of January fell for the seventh successive month but there was a rise in the number of British registered vessels idle, according to the General Council of British Shipping.

Britain had 34 vessels totalling 3.6m dwt laid up, representing 7 per cent of its fleet. This compared with the world's total of 600 ships at 28.5m dwt, or 4 per cent of the world fleet.

Britain also had a greater proportion of its oil tanker fleet idle, compared with the world total of 8 per cent. Almost 22m dwt of tankers and 7m dwt of dry cargo vessels were not working.

Britain had 3.2m dwt of its tanker fleet laid up through lack of work in the depressed energy markets and 312,000 dwt of dry cargo ships.

"The crisis in Iran has served to compound an already gloomy picture," the council said last night.

Last June 54 vessels, totalling 6.25m dwt, were without work—the greatest number since January 1977. The figures have shown a steady improvement until January this year, which also saw a small rise in the number of vessels on the world fleet idle compared with the 593 laid up in December. But the tonnage of idle vessels in the world fleet dropped by 1.2m dwt.

There is little prospect of a recovery in shipping markets until the early 1980s.

Britain's merchant fleet was hit later than those of other countries. Many vessels were on long-term charters and these are now starting to expire.

In some cases shipowners have preferred to lay up vessels rather than operate them uneconomically in the face of growing worldwide competition.

"The problem we face is the slow build-up in world trade and the extent to which overcapacity in shipbuilding is making the shipping surplus more acute," the council said.

# Iona may be bought by State

By Our Scottish Correspondent

IONA, the Scottish holy island which is to be sold to pay death duties, may be bought by the State. Mr. Bruce Millan, Scottish Secretary, said last night that he had instructed the Scottish Development Department to begin talks soon with the National Trust for Scotland and the Duke of Argyll.

The Duke is one of the trustees of the estate of his great uncle, who died in 1949. Death duties of about £500,000 are still outstanding.

Mr. Millan said that one possibility would be to buy the island through the National Land Fund, which was set up in 1948. It could then be administered by the National Trust.

He said the proposed sale offered an opportunity to secure the future of the world-famous island.

The island was to have been put on the market in May, but has already attracted considerable interest. Most of the land is under crofting tenure, although the historic abbey and graveyard where several Scottish kings are buried, is owned by the Church of Scotland, which maintains a religious community.

# Shell and Esso gas plant hopes lifted

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHELL AND ESSO'S plans to build a £435m gas separation plant at Mossmorran, Fife, went a step further yesterday. The Health and Safety Executive issued a report saying that the risk of explosion from radio sparks was insignificant, writes Ray Perman.

The project was the subject of a public inquiry in 1977. It has been held up while the Government considered new evidence of possible hazards from protesters living close to the site of the marine terminal, from which liquid gas would be loaded into tankers.

A year ago, Mr. Bruce Millan, Scottish Secretary, gave conditional approval for the plant pending investigation of the risk of a spark from a nearby broadcasting transmitter igniting an accidental gas escape.

He has now received the safety executive's report but the Scottish Office was still not prepared last night to say when a final decision would be announced.

Mr. P. D. Mehta, of the Aberdeen and Dalgety Bay Action Group, which has been opposing

the scheme, said that the report would be considered in detail by the group's technical advisers.

Evidence on other types of risk including shipping accidents had also been given to Mr. Millan. Legal opinion suggested that he would be obliged to consider it before he could come to a final decision on the project.

In a letter to the Scottish Secretary, Mr. John Locke, director-general of the Health and Safety Executive, says that technical investigations show the possibility of sparks from radio transmitters to be low. The probability that any sparks would cause an explosion were even lower.

Shell and Esso had hoped to have the plant in operation by next year, but this is now impossible. It is intended to process gas from the Brent field using feed stock brought to Mossmorran by pipeline.

The companies already have contracts to sell the products. Methane would go to the British Gas Corporation, and butane and propane would be exported to the U.S.

# City of London faces 4.16% increase in rates

BY PAUL TAYLOR

BUSINESSES in the City of London are likely to face rate increases of 4.16 per cent following a recommendation from the corporation's finance committee. The rise would be considerably less than in some other London boroughs and compares with an 18 per cent average across the country.

If the committee's recommendations are accepted by the Court of Common Council, the City's ruling body, when it meets on March 22, domestic rates will increase by 0.16p in the pound (1.4 per cent) to 51.04p in the pound in 1979-80 and commercial rates will rise by 3.11p in the pound (4.16 per cent) to 77.8p in the pound.

The increase includes a 2p in the pound rise in the Greater London Council rate offset by a 1p in the pound reduction in the amount the City pays to other London boroughs through the Rate Equalisation Scheme. The domestic rate is further offset by a 2.5p allow-

ance in the Government's rate support grant.

The rates rise has also been lessened by drawing £3.5m from balances making up a total expenditure in 1979-80 of £172.2m based on the assumption of a 5 per cent increase in wage costs. If, as expected, wage settlements in the local authority sector considerably exceed this amount the City will have to find alternative means for paying the increase.

Excluding expenditure by the GLC, the Inner London Education Authority and the contribution to the equalisation scheme the corporation's own expenditure will increase by £4.7m to £35.2m in 1979/80.

The Shetland Islands Council has fixed a general rate of 50p in the pound for 1979/80, an increase of only 5p compared with the current year.

Domestic ratepayers will pay 47p in the pound. At the same time, council house rents have been frozen until April, 1980.

# Deminex may try to buy stake in Beatrice field

BY SUE CAMERON

DEMINEX, the West German oil exploration group, is thought to be trying to buy a 15 per cent stake in the North Sea's Beatrice field from Gressleann, a U.S.-based oil concern.

It is understood that the British National Oil Corporation will be given an option to buy one-third—5 per cent—of the Deminex stake if the deal goes through. BNOG already has a 10 per cent holding in the Beatrice field which it acquired last month from Hunt Oil.

A deal of this kind would be certain to increase speculation over the possibility that BNOG may take over, from the U.S. based Mesa group as operator on the Beatrice field.

Mesa has never done development work in the North Sea before becoming operator for Beatrice, and the group has no other field interests there.

BNOG, however, now has considerable experience as operator on 26 exploration blocks, including the Thistle field development.

The Beatrice group is made up of Mesa, the operator with a 23 per cent holding, Gressleann, which has a 15 per cent stake, BNOG with 10 per cent, the U.S.-based Hunt Oil, which now has only 10 per cent since selling half its stake to BNOG, the UK-based P & O group, and the U.S.-based Kerr-McGee, which is understood to be carrying financial interest.

Deminex, which is a subsidiary of Veba, West Germany's state-backed oil company, already has a 41 per cent holding in the Thistle field, and it is known to be keen to expand its North Sea interests.

# Solid silver Concorde model fetches £8,500

BY ANTONY THORNCROFT

THE PITFALLS of investing in works of art were well illustrated at Christie's yesterday when a solid silver model of Concorde, 4 ft long and weighing 316 oz, was sold for £8,500, almost half the £15,000 which Sir Eric Miller, the former head of Peachey Properties, paid Aspreys for it in 1975.

The model was bought by the London dealer Jack Simons who will also have to pay the buyers' premium (now 10.8 per cent following a ruling that the premium is subject to VAT). Its disposal was arranged by Lord Mais, the current Peachey chairman.

In the same silver sale, which totalled £99,595, the Ascot Royal Hunt Cup of 1856, designed by Alfred Brown and made by J. S. Hunt, went to Koopman, the London dealer, for £3,400.

A pair of French silver mounted flintlock pistols made by Le Hollandais around 1720 were bought by Jessep, another London dealer, for £7,500, in a Christie's arms and armour auction. An admiral's silver hilted dress small sword, bearing the arms of Cornwallis, the work of Francis Thurkile in 1797

was bought by the National Maritime Museum for £3,200.

Perhaps the most interesting sale at Sotheby's was in Belgravia where a collection of over 80 cooking stoves and other cast iron decorative domestic heating appliances, stretching back to the early 19th century, sold for £34,153. They were the property of the Solid Fuel Advisory Service.

# New guide to public finance

By Our Economic Staff

A GUIDE to the large and complex volume of financial information available on the public sector has been published by the Government.

The 108-page guide, prepared jointly by the Treasury and the Central Statistical Office, is intended to help users find their way around this material.

It covers the main information published by the Government about its own expenditure, revenue, borrowing and debt, about local authorities, nationalised industries and other public corporations and some of the similar data published by and for local authorities and public corporations, and by international organisations.

The guide is in two parts. The first identifies the sources of information relevant to 35 specified topics and the second is a bibliography, giving full details of the published sources in the first part, plus some additional publications.

Guide to Public Sector Financial Information published by the Stationery Office, price £2.50.

# Japanese audio company may move to Ulster

By Our Belfast Correspondent

AIWA, the Japanese electronics company, hopes to start audio equipment production in Belfast by next year.

Mr. Don Concanon, the Ulster industry minister, said officials of the Commerce Department and the Northern Ireland Development Agency have had detailed discussions with Aiwa about its taking over the factory in west Belfast which was occupied until last December by Strathearn Audio, the ill-fated state-owned company.

Mr. Concanon said the talks had led to a broad understanding on the firm a joint venture between the agency and the Japanese might take.

Aiwa was now developing the products which it hoped to sell on the European market and if negotiations succeeded an agreement could be signed later in the year.

# Balance of payments shows £1.13bn deficit

BY ANTONY THORNCROFT

BRITAIN HAD a combined deficit on its balance of payments current and capital accounts of £1.13bn last year, compared with a surplus of £7,366m in 1977.

The change was due almost entirely to capital movements, since the current account surplus declined by only £44m to £254m.

The main difference in the capital account was that the high level of exchange market confidence in 1977, with associated inflows when sterling was held down, was followed in 1978 by fluctuating confidence and erratic capital flows, particularly of banking and other short-term capital.

Private sterling balances rose £304m last year after an increase of nearly £1.5bn in 1977 and there was a reduction in UK public sector investment by foreign holders of £81m last year, compared with a net inflow of £2.18bn in 1977.

**SALEROOM**  
BY ANTONY THORNCROFT

At Sotheby's in Bond Street the netsuke, okimono and iwa collected by Mr. and Mrs. George Cohen sold for £187,000. The top price was the £10,500 (plus the 10.8 per cent buyer's premium) from Eskenazi, a London dealer, for a rare Ozaki Kokusai stagshorn study of an owl. It had been estimated at £1,800-£2,500. The same buyer paid £7,800 for a Kirin, signed Tomotada. A study of an ape like creature by Hoshunshi Masatuki realised £5,400.

**BALANCE OF PAYMENTS £m.**

	1977	1978	2nd qtr.	3rd qtr.	4th qtr.
	Seasonally adjusted				
Current account	-1,744	-1,175	-173	-267	-37
Visible balance	+2,042	+1,429	+319	+418	+437
CURRENT BALANCE	+298	+254	+146	+151	+398
Capital account	+298	+254	+204	+173	+440
Investment and other capital transactions	+4,602	-2,227	-1,804	-74	-587
Balancing item	+2,461	+847	+106	+37	+114
BALANCE FOR OFFICIAL FINANCING	+7,361	-1,126	-1,494	+210	-15
Official financing					
Net transactions with:					
IMF	+1,113	-1,016	-505	-26	-485
Other monetary authorities					
Foreign currency borrowings by HM Government*	+871	+191	+191		
by public sector under exchange cover scheme	+243	-378	-218	-130	+187
Official reserves (drawings on, +; additions to, -)	-7,588	+2,329	+2,026	-54	+311

\* Drawings on two Eurodollar facilities for HM Government to borrow £2,500 and \$1,500 million, and a \$350 million bond issue in New York. Source: Central Statistical Office

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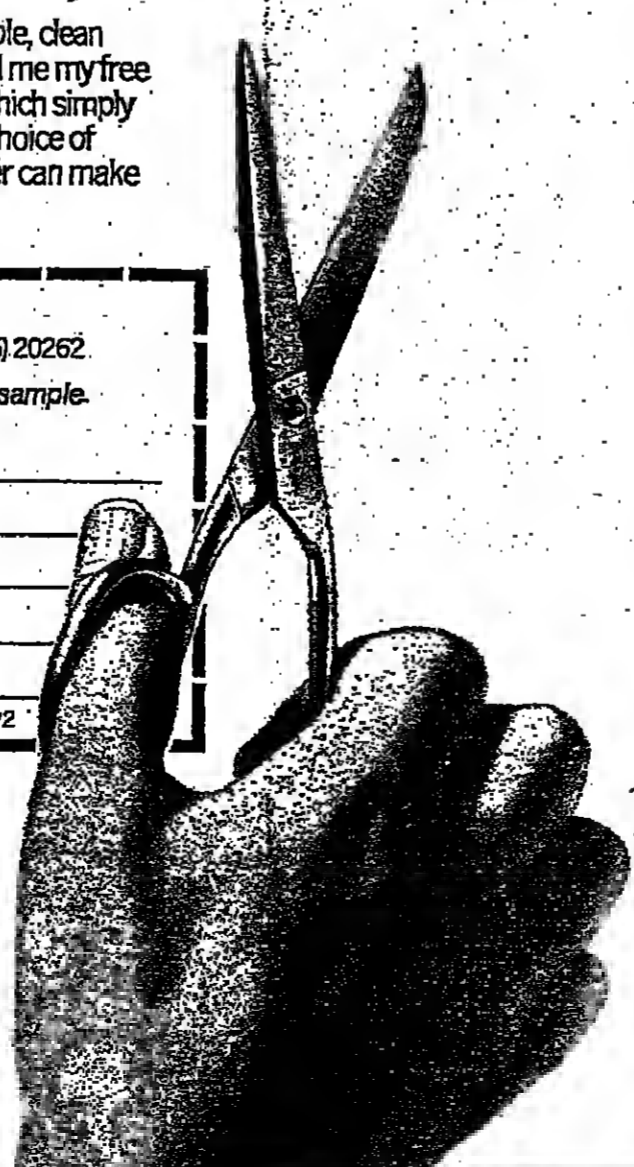
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هكمان الأحملي



# Assessment 'out-of-date and unrealistic'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE TREASURY—and in particular Mr. Joel Barnett, the Chief Secretary—were criticised yesterday by an all-party committee of MPs for providing an assessment of the economic prospects in the annual public expenditure White Paper and the accompanying discussions.

The criticisms came in the report of the Commons Expenditure Committee on the January White Paper. Its general submission, chaired by Mr. Michael English, the Labour MP for Nottingham-West, questioned Treasury officials at the end of January and minutes of the committee, together with 13 memoranda from City and academic economists and construction industry organisations, were published with the report.

A letter from Mr. Barnett to the sub-committee is also published for the first time. He refused a request for calculations of the effects of alternative assumptions about the

growth of public sector earnings in the current pay round, notably the impact on public sector borrowing.

Mr. Barnett said the calculations would involve "a large number of judgments and assumptions" and referred to the earlier reluctance of the Chancellor, Mr. Denis Healey, to provide such figures, "both because there would be a risk of appearing to endorse such assumptions if a Government department were to carry out this work, and because it would divert those concerned from other work."

The report welcomes various improvements in the White Paper, in particular the projections of total output and the pattern of demand in the medium-term and of revenue, expenditure and borrowing; estimates of the cost of many direct tax allowances and reliefs; and increased information about the output achieved and planned in individual programmes.

The welcome is qualified, however, to the extent that the Committee urges both the future inclusion of a sufficiently wide range of economic projections to cover all likely eventualities, a possible extension of the list of tax reliefs covering age allowances and higher tax thresholds for people over 65, and the need for much more to be done to state the specific objectives of future spending programmes and the results of past programmes.

Moreover, "through the recently introduced monitoring system, the Treasury should be able to identify underspendings so as to be able to take corrective action either at once or in the following year's estimates."

In future White Papers, the Treasury should show explicitly the component parts which go to make up what is considered to be net debt interest, that is, to give separately total debt interest and the receipts items which are not shown in the net total.

In addition, the Government should provide information about the size and broad maturity structure of debt, and about the way in which they are likely to change over the survey period up to 1982-83.

The report returns to earlier criticisms about the balance between current and capital expenditure and states: "Some of the recent cuts seem to be false economies and the damaging impact on the construction industry is neither sensible nor just."

The committee has "serious reservations about the presentation of the Government's assessment of the economic prospects which underlines the public expenditure plans." It notes that "there is no explicit statement to show whether the Government regards any of the projections as either desirable or acceptable, although the clear implication is that the Government cannot determine the rate of economic expansion."

In sum, what is discussed in the White Paper is not the Government's economic plans for the medium-term but a set of seemingly arbitrary projections, the purpose of which is to draw attention to the constraints on policy," the report says.

These constraints ought now to be appreciated, it says, but "what is not known is how the Government intends to overcome them or whether it considers it can overcome them and how the public expenditure plans fit into this overall strategy."

Accordingly, in future White Papers, "the assessment of economic prospects should have a more realistic basis and should include more discussions about economic policy options."



MR. JOEL BARNETT  
... under fire

# Treasury checks allowance sums

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN INCREASE in personal income tax allowances in line with price inflation during 1978 (as laid down by the Finance Act) would cost about £890m in lost revenue in a full year according to Treasury estimates.

The estimated revenue effects of various tax changes were published yesterday by the Treasury in a supplement to its Economic Progress Report.

The figures, some of which have already been given in Parliamentary written answers, are based on income and/or price levels for the 1978-79 financial year and not on estimates of next year's levels on which the Budget (on April 5) will be based.

Moreover, the full year revenue effects are not necessarily the same as the effect in the first year of any change as some taxes are paid in arrears.

The revenue estimates are also not the same as the effect on public sector borrowing in the first financial year.

"Very roughly the borrowing requirement effect of direct tax changes is generally about one-fifth less than the revenue effect; borrowing effect of VAT changes is about two-fifths less, and of other customs duties about one-tenth less. These differences occur both because of lags in the payment of tax

and also because of second-round effects of tax changes on the economy and hence on the payment of other taxes."

The Treasury estimates that an 8 1/2 per cent change in excise duties, in line with last year's price inflation, confined with an increase of two percentage points in the 8 per cent rate of VAT would add roughly 1 1/2 per cent to the retail price index.

A 2 per cent change in the standard rate of VAT up to 10 per cent would bring in £800m in a full year at 1978-79 prices, while a reduction in the higher rate from 12 1/2 to 10 per cent would cost £100m on the same basis.

A one point change in the rate of employers' national insurance surcharge—at present 3 1/2 per cent—would bring in £600m in a full year.

The figures also highlight the large revenue cost of changes at the lower end of the income tax bracket. A £250 change in the present lower rate band—25 per cent on the first £750 of taxable income—has a revenue impact of £400m in a full year at 1978-79 earnings.

But a change of £1,000 in the higher rate income tax thresholds—at present from 40 per cent on £8,000 of taxable income up to 55 per cent on £24,000—has a revenue impact of only £140m in a full year.

# Public investment far too low, say construction leaders

BY PAUL TAYLOR

LEADERS OF the construction industry have told Government ministers that the level of public investment in construction is still far below that needed to support national economic and social requirements.

In a paper submitted to ministers yesterday the Group of Eight—comprising leading figures from professional bodies, institutions and so forth—argues that the Government's current plans for the economy and the future ability of the construction industry to meet continuing national needs are in jeopardy.

The Group's submission has been timed to coincide with the Commons Expenditure Committee's report commenting on the Government's Expenditure White Paper.

For the first time, the White Paper included a separate detailed analysis of planned expenditure affecting the construction industry. The submission, which campaigned strongly for this change, is seen as an attempt to maintain the pressure on the Government.

In most major programmes, including roads, water and sewerage, health, housing and education, present levels of planned and actual public investment in construction fell short of requirements.

# UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1977							
4th qtr.	105.8	101.9	100	104.7	239.6	1,431	157
1978							
1st qtr.	106.9	102.1	100	106.4	246.4	1,409	188
2nd qtr.	110.9	104.7	96	107.9	254.4	1,367	213
3rd qtr.	111.2	104.9	103	110.7	266.6	1,380	213
4th qtr.	109.9	102.7	107	110.7	272.5	1,340	230
1st qtr.	110.5	104.2	107	109.6	265.9	1,378	219
2nd qtr.	108.9	102.1	101	110.2	267.9	1,360	229
3rd qtr.	109.6	102.5	101	110.5	269.7	1,339	231
4th qtr.	111.3	103.6	101	113.8	279.8	1,321	231
1979							
1st qtr.				109.6	273.1	1,339	236
2nd qtr.						1,363	231

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metals manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Hous. starts*
1977							
4th qtr.	104.9	97.1	114.3	98.2	95.4	100.2	20.7
1978							
1st qtr.	105.2	99.1	116.1	100.0	95.0	97.8	17.8
2nd qtr.	107.8	98.6	122.6	100.0	107.8	101.0	27.1
3rd qtr.	107.3	100.2	123.3	101.0	101.6	102.8	32.9
4th qtr.	106.3	96.5	123.0	96.0	97.5	100.6	20.6
1st qtr.	109.0	101.0	123.0	103.0	92.0	104.0	20.3
2nd qtr.	107.0	99.0	123.0	99.0	100.0	101.0	25.1
3rd qtr.	105.0	96.0	121.0	96.0	98.0	100.0	24.5
4th qtr.	106.0	96.0	123.0	95.0	93.0	102.0	20.7
1979							
1st qtr.	107.0	98.0	125.0	98.0	101.0	101.0	16.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. trade
1977							
4th qtr.	117.3	102.4	-16	+580	-659	102.4	20.39
1978							
1st qtr.	119.6	113.8	-590	-361	-620	105.4	20.63
2nd qtr.	122.2	110.0	-73	+135	-214	104.5	16.75
3rd qtr.	124.9	114.4	-365	-49	-501	105.7	16.55
4th qtr.	125.1	112.8	-1	+359	-480	106.7	15.77
1979							
1st qtr.	125.9	111.3	+40	+160	-135	106.0	15.97
2nd qtr.	122.6	114.1	-108	+12	-162	107.3	15.87
3rd qtr.	126.7	113.0	+67	+187	-183	106.8	15.69

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,263	6 1/2
2nd qtr.	8.5	15.7	34.6	+3,391	694	1,338	10
3rd qtr.	16.3	5.3	8.6	+534	746	1,425	10
4th qtr.	9.7	9.7	8.8	+1,490	873	1,425	12 1/2
1979							
1st qtr.	13.8	5.5	5.9	+541	823	470	10
2nd qtr.	12.1	10.7	9.9	+113	261	506	12 1/2
3rd qtr.	9.7	9.7	8.8	+836	254	449	12 1/2
4th qtr.	13.6	16.5	20.0	+839	289	491	12 1/2
1979							
1st qtr.	15.1	16.15					14

INFLATION—Indices of earnings (Jan. 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Wholesale mfg.*	RPI*	Foodst*	FT* comdty	Strig.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.3	195.8	205.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	208.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.8	210.0	257.69	62.7
1979							
1st qtr.	138.2	148.7	156.6	201.1	206.6	265.22	62.5
2nd qtr.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
3rd qtr.	138.1	148.2	158.3	204.2	210.5	257.69	63.2
4th qtr.							
1st qtr.	150.4	159.8	207.2	217.5	260.83	63.4	
2nd qtr.	151.1	161.5			267.56	64.2	

\* Not seasonally adjusted.

# Bedford ends the waiting game.

**BEDFORD**

We can now give you the kind of truck delivery you've always wanted. Namely, the no-waiting kind you can rely on.

Most Bedford truck chassis are available for immediate delivery. How can we do it? Easy. We're simply living up to our status as Britain's biggest truck producer,\* and our reputation as manufacturer of over 3 million commercial vehicles. What's more, our dealers are poised to give you the fastest possible turnaround with bodybuilders.

All of which goes to make Bedford trucks faster onto the road. So why wait? Contact your Bedford dealer without delay.

## BEDFORD

Britain's top truck producer.

\*In 1978 Bedford produced more trucks over 3.5 tonnes GVW than any other UK manufacturer.

of payment... £1.3bn...

# Ocean looks at £6m rail freight plan

BY LYNTON MCLAIN

OCEAN Transport and Trading, one of Britain's largest shipping groups, may back a £6m plan for up to three inland road and rail freight terminals. This could lead to a major transfer of freight from road to rail.

A £50,000 nine-month study of the possibilities is being undertaken by Ocean's subsidiary, Transfash McGregor, a Bradford-based freight forwarding company, most of whose cargo is transported by road.

Talks with British Rail on suitable sites for sidings started five months ago, Mr. Harry Pointon, managing director of Transfash McGregor, said in London yesterday. The plan had been given added impetus by the "unmitigated disaster for freight forwarders" of the lorry drivers' strike.

Road haulage costs were rising at a "staggering rate," he said. "There had already been 'savagery' increases as a result of the strike and the impact of environmental pressure groups, the ichograph and the reduction in permissible hours for drivers, to conform with European Commission laws 'should make rail forwarding competitive in price and speed,'" Mr. Pointon said.

Rail already had a 10 per cent price advantage over road haulage, and this differential would increase, he said.

The company's move into rail forwarding, if agreed, would be based on up to three rail terminals each able to handle 2,000 tons of cargo a week.

Rising road haulage costs would be accompanied by improved rail transport economics due to technical developments. New rail freight wagon designs, twice as long as existing 30 feet designs, are already being introduced by British Rail. Each has a 54 ton capacity, compared with a 32 ton maximum loaded weight of lorries in Britain.

The TOPS rail computer for freight handling would also improve efficiency and would be fully operational in Europe in two years. TOPS will store details of location or destination of individual cargoes.

# U.S. scientist discounts genetic engineering risk

BY DAVID FISLOCK, SCIENCE EDITOR

THE RISKS from genetic engineering are so slight that British researchers should stop worrying about them, says a Nobel Prize-winning scientist who directs a leading U.S. research centre in the field.

Professor James Watson, who shared the 1962 prize with Dr. Francis Crick for their discovery of the "double helix" structure of genetic material at the University of Cambridge, believes Britain should abandon efforts to regulate the work of scientists in this field, and press on with research as quickly as possible.

Writing today in the journal Nature, he says there is no evidence that any experiment in genetic engineering "poses any realistic threat to any scientist who uses the tools of his trade, much less to society itself," but society should remain aware that research workers might succumb to a disease not seen before.

He criticises the efforts of the Government's Genetic Manipulation Advisory Committee in trying to decide which experiments should and should not be performed, as "having no more validity than quantitative religion."

The advisory committee, chaired by Sir William Henderson, has undertaken to say whether a given experiment should be undertaken.

# EMI brain scanner gives better data, says survey

EMI's brain scanner gives the doctor better diagnostic data than X-rays for a given amount of radiation, says a study made jointly by the National Radiological Protection Board, the Government's "watchdog" on public exposure to radiation, and the company.

The study was undertaken partly because of fears in the U.S. that the new technique of X-ray scanning pioneered by EMI was over-exposing patients to radiation.

These fears have been responsible for some of the sharp decline in sales of computerised tomography scanners. EMI, with over 50 per cent of the world market, has been particularly severely affected.

The survey, published in the latest issue of the British Journal of Radiology, shows that a typical brain scan exposes the patient to about the same amount of radiation as one or two conventional skull radiographs.

But if the brain scan is made in the high-accuracy mode, the patient receives about five times the dose.

The researchers investigated all present models of EMI Scanner except the most recent.

# Sony to double stake in Britain

BY MAX WILKINSON

THE BRITISH consumer electronics industry is facing grave risks of further decline unless it can achieve a major rationalisation and an influx of new technology, according to a strategy document presented yesterday to the National Economic Development Council.

The report by the consumer electronics working party suggests that Japan would be one of the most important sources for new technology and investment needed to rescue the industry.

Total investment needed over the next five years could be about £300m. A substantial proportion of this would have to come from the Government.

The report does not say how much the Government subsidy should be, but it can be assumed that the taxpayer would have to give about £75m to £80m over the period.

To be competitive, colour television production would have to be concentrated in a few large plants each with a capacity of 500,000 sets a year.

The working party's conclusions are based on an international study of the industry commissioned from the Boston Consulting Group last March. The study concentrated on colour television, but it says similar arguments apply to other consumer electronic products.

The report recognised at an early stage that weaknesses in the UK industry's structure were a barrier to improved performance.

"It also recognised that rapid changes were occurring in the pattern of international trade and investment, which carried with them substantial risks for the future development of the industry in the UK."

## Investment

Sony (UK) said the new investment would be about £8m in addition to the investment of £5m so far. He said there would be a substantial contribution from the Government under various industry schemes, but the exact amount had not yet been calculated.

Sony added: "We are particularly pleased that our increased investment in the UK carries the support not only of the Welsh Office, but also the Department of Industry."

Mr. John Morris, Secretary for Wales, said yesterday: "In five years Sony has established itself as one of the major employers in South Wales and as an important contributor to the UK export effort and to import saving."

# City celebrations for Institute of Bankers

By Michael Lafferty, Banking Correspondent

THE Institute of Bankers, with a membership of 111,000, is celebrating its centenary this week.

The centenary events in the City include a conference of presidents and chief executives of world banking institutes, a service of thanksgiving in St. Paul's Cathedral today, and a centenary dinner at Guildhall tomorrow.

Mr. Malcolm Wilcox, a chief general manager of Midland Bank, is president of the institute.

# Japanese investment 'can save electronics industry'

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## Weaknesses

The restrictions applying to the licence for the PAL colour system used in all western Europe except France had tended to limit imports of colour sets to the UK. But the effectiveness of this non-tariff barrier was likely to diminish as patents expired in the next few years.

The Boston group's study focused attention on four main weaknesses in UK manufacturers:

- The relatively small size of UK factories and the fragmentation of the industry between nine different manufacturers.
- Weaknesses in product technology and design.
- Weaknesses in production technology.
- Deficiencies in the quality of products and components.

The working party adds its own fears about weak development of new products, of export marketing and a low level of industrial research, including the gathering of industrial intelligence.

"Against this background, the future of the industry looks extremely bleak, and a further loss of market share, and hence of UK output and employment, may be anticipated in the future."

## Development

This decline could be expected to be caused by:

- The diminishing effectiveness of the PAL licence as a trade barrier.
- The possible decline of the rental industry in the UK. The rental chains have acted historically as a barrier to imports since they buy mainly British sets, and in some cases are controlled by set-making companies.
- Increasing industrial development of the Far East, including production in Korea and elsewhere using Japanese technology.
- Efforts by rival European set makers to improve competitiveness as the protection of the PAL licence diminishes.

The report said the Boston group had clearly demonstrated the technological lead taken by Japanese manufacturers in terms of manufacturing process and of product design aimed to reduce the assembly costs. This had given Japan a 25 per

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# Craven joins S. G. Warburg

BY MAX WILKINSON

Mr. John Craven, the former chairman of Credit Suisse First Boston, is to join S. G. Warburg, the British merchant bank, as vice chairman.

Mr. Craven, 38, will thus be returning to the bank which he left in 1972 to join White Weld, the U.S. investment bank which later joined forces with Credit Suisse in Europe to establish the forerunner of Credit Suisse First Boston. He became a director of Warburg in 1969, at 28, one of the youngest ever.

It was largely because he disagreed with the link up between Credit Suisse and First Boston that Mr. Craven left CSFB late last year. Since then his next employer was the subject of much speculation in the City.

Mr. Craven has had to stand down as representative of the foreign banks on the City's Council for the Securities Industry. He will join three other vice-chairmen at Warburg, which also has two co-chairmen and a deputy chairman.

Mr. Desmond H. Pither has been elected to the main Board of the PLESSEY COMPANY. He is managing director of Plessey Telecommunications International, the management company in charge of the



DESMOND PITHER

Group's worldwide telecommunications interests. This company is soon to be restyled Plessey Telecommunications and Office Systems. Until October 1, 1978, Mr. Pither was managing director of Plessey Telecommunications Limited. Prior to that he was deputy chairman of Sperry Rand.

Mr. F. M. Hodgson, formerly group secretary of DE BEERS CONSOLIDATED MINES, has been appointed a director in place of Mr. A. S. Hall who has retired. Mr. Hodgson will retain responsibility for the head office organisation in Kimberley and the group's offices in Cape Town and Windhoek. He will also continue to provide advisory and co-ordinating services to the administrative and financial departments on

Mr. Charles Morland, a local director of the Birmingham district of BARCLAYS BANK, has been seconded to the industrial development unit of the Department of Industry in London as a deputy director. The unit is involved in the appraisal and commercial appraisal of applications for selective assistance from the manufacturing sector.

Mr. David L. Milne will be joining GLYNWED as financial director. He has been group finance director of Wilmet Breeden (Holdings) since 1975.

Mr. Ian MacKnight has been appointed director of marketing at MERDEW FURNITURE.

Mr. Charles F. W. Wyatt has been appointed a director of Western Queen (1996) NL, the Western Australian oil and diamond exploration company.

Mr. Brian R. Councell, distribution general manager of BASS NORTH, has been appointed to the Board as distribution director.

# Additions to Debenhams subsidiary Boards

DEBENHAMS has made the following appointments to the Boards of subsidiary companies:

Mr. B. Vickers, formerly commercial director of Debenhams department store division and recently appointed trading director of the fashion multiples division, has been appointed a director of Harvey Nichols and Company, Lotus and Debenhams (Manufacturing and Supplies) ("English Lady"). Mr. F. A. Taylor, financial controller of Lotus, has been appointed a director. Mr. E. A. C. Rayne has been appointed assistant managing director of H. and M. Rayne. Miss E. Wilkinson, who is responsible for personnel at Cresta Silks, has been appointed a director.

Mr. Barry Battifant has been made finance director of the AMOY CANNING CORPORATION (HONG KONG), a subsidiary of Sime Darby. Previously he was director and group accountant for Davenport Brewery. Amoy has also appointed Mr. Harold Bingley as marketing controller. Previously, Mr. Bingley worked as marketing manager for Yardley International in the Philippines.

Mr. Michael D. Rowley has been appointed director of KIRKLAND-WHITTAKER GROUP.

Mr. J. E. Smith has been appointed chief executive of WOOD HALL BUILDING GROUP, a member of the Wood Hall Trust group of companies.

Mr. Patrick Hodgson has joined J. HENRY SCHROEDER WAGG as an assistant director.

Mr. John Shepherd, group director of THOMAS COOK, has retired after 32 years with the company.

Following his appointment to the Board of Gallaher Mr. E. Martin-Leake has become chairman of SAUNDERS VALVE COMPANY. He continues as chairman and chief executive of the Mono Group (both companies are Gallaher subsidiaries). Mr. George Brown remains as chief executive of Saunders Valve and becomes deputy chairman.

Mr. F. Pickles has been appointed chairman of ASHLEY ACCESSORIES, Astral Pressings and Ranton and Company (Rock Electrical Accessories). He will retain his former duties as managing director.

Mr. H. R. Towney has been appointed managing director of CENTRAL PLASTICS (INDUSTRIAL).

# Bullish outlook for gilts, say stockbrokers

BY OUR ECONOMICS CORRESPONDENT

A BULLISH outlook for gilt-edged stock over the next year is being put forward in stockbrokers' circles.

But several City analysts warn that the market will need to be convinced of the plausibility of the Budget measures and projections.

Phillips and Drew says the recent sharp rise in gilt prices has reflected hopes that there will be a tough budget.

But "the market may need convincing that the Budget measures indeed ensure that public sector borrowing will not exceed £8.5bn in 1979-80. "Nevertheless, a slackening

# Wives win appeal on eviction

TWO BUSINESSMEN'S wives who discovered their husbands had mortgaged their homes to a bank to raise working capital yesterday won an Appeal Court battle against eviction.

Lord Denning, Master of the Rolls, said that a mortgagee should take account of a wife's interest in her home when lending money to the husband—even if only the husband's name was on the title deeds.

The court allowed, with costs, appeals by Mrs. Anne Brown, of The South Glade, Bezley, Kent, and Mrs. Julia Boland, of Ridge Park, Purley, Surrey, against possession orders for their homes granted to Williams and Glyn Bank.

Possession proceedings had been taken when Mr. Norman Brown, a film producer, owed the bank £38,000, and the business of Mr. Michael Boland, a builder, failed, leaving £32,500 debts.

The bank was given leave to appeal to the House of Lords on its undertaking not to apply for any costs against the two wives if successful.

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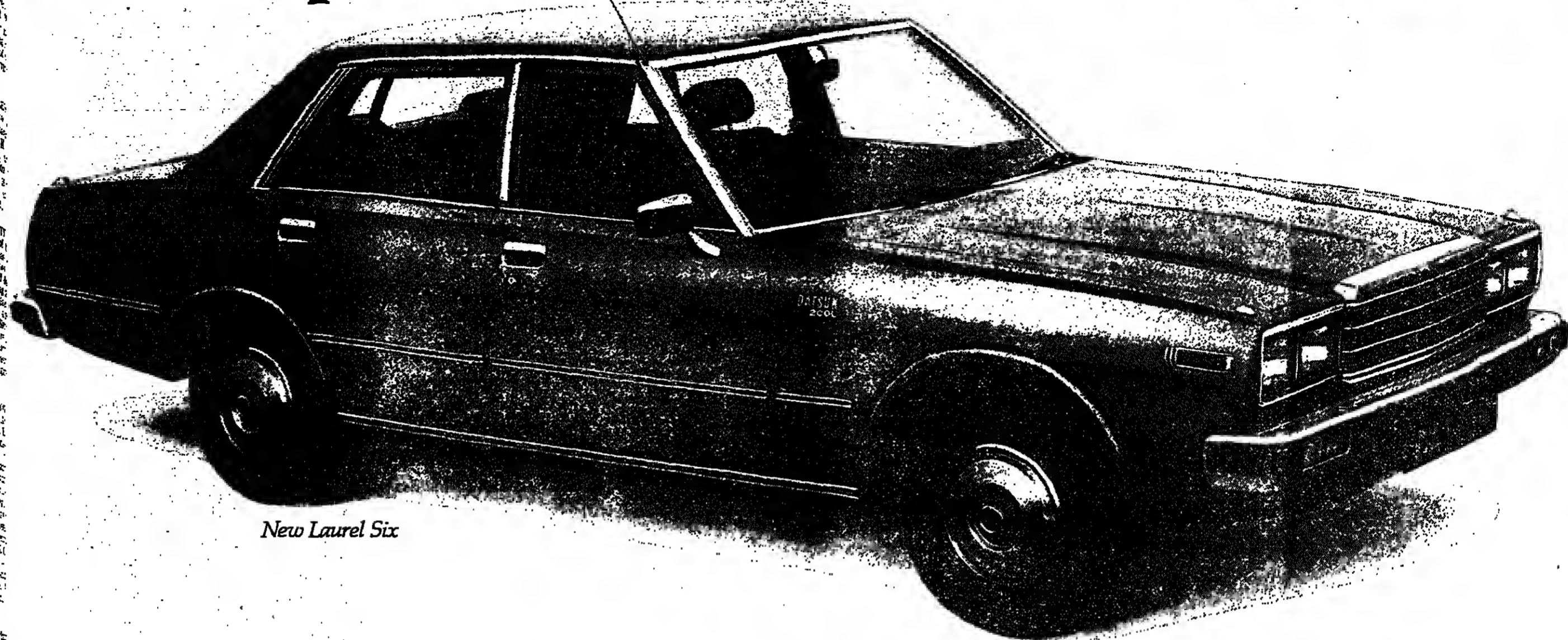
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November 1978

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# Now, Datsun's new Laurel Six leaves its competitors even further behind.



New Laurel Six

Among 2 litre executive cars of quality and distinction, the new Laurel Six Mark II, by Datsun, really stands out as remarkable value.

For 1979 the Laurel Six—already an impressively luxurious and well-equipped car—has been refined even further.

It has crisp and distinctive new styling front and rear; the long list of no-cost "extras" has been stretched even longer; power steering is now fitted as standard....and the price remains uncompromisingly competitive!



New Laurel Six

Datsun is justifiably proud of its range of high quality engineered cars. They are designed to provide comfortable, smooth motoring with all the equipment you could reasonably require, but don't usually find in competitors.

The Laurel Six Mark II, for example, starts with a powerful advantage over most cars in its class because it has a delightfully smooth and flexible engine with six cylinders instead of the usual four. Like other executive cars, it offers you a luxurious interior, upholstered in cloth and with thick pile carpeting. Unlike the others, the new Laurel Six gives you a list of standard equipment that includes tinted glass, stereo cassette player, push-button radio, tilt adjustable steering, headlight monitor lamps, boot and fuel lid opening levers controlled from the driver's seat and a host of other thoughtful features.

The Laurel Six Mark II also has the unique advantage of Datsun's reputation for quality and reliability, confirmed by the recent independent report that Datsun have fewer warranty claims than *any* other car tested.

The Laurel Six Mark II is at your dealer's showroom now priced at £4937.22. We think you will agree that represents remarkable value for such an impressive and distinctive 2 litre luxury car.

Visit your Datsun dealer soon. He has a large selection of quality Datsuns to show you from the best selling Cherry and Sunny ranges, to the new Skyline 240K Coupé with 2.4 litre fuel injection engine and electronic ignition.

(P.S. Any day now, he is also likely to have the incredible, high performance Datsun 280ZX 2 seater and 2+2—already winner of the coveted 1979 "Imported car of the year" award in America!)

	Laurel Six Mark II	Mercedes 200	Audi 100L 5S	BMW 520	Volvo 244 D/L
Engine	1998 6 Cyl	1988 4 Cyl	2144 5 Cyl	1990 6 Cyl	2127 4 Cyl
Price	£4937	£7346	£5790	£7099	£5285
Tachometer	✓	NO	NO	NO	✓
Tilt adjust steering	✓	NO	NO	NO	NO
Radio MW/LW	✓	NO	NO	NO	NO
Stereo cassette	✓	NO	NO	NO	NO
Power steering	✓	✓	£390 extra	£312 extra	£287 extra
Door warning reflectors	✓	NO	NO	NO	NO
Interior fuel lid release	✓	NO	NO	NO	NO
Interior boot release	✓	NO	NO	NO	NO
Headlight warning monitor	✓	NO	NO	NO	NO
Door ajar warning light	✓	NO	NO	NO	NO
Rear heater duct	✓	NO	NO	NO	✓
Plug in lead light	✓	NO	NO	NO	NO
Tinted glass	✓	NO	£237 extra	✓	£150 extra
Inner protective fender	✓	NO	NO	✓	✓
Lockable glove box & light	✓	NO	✓	✓	✓
Adjustable head rests	✓	✓	✓	✓	NO
Body side protective moulding	✓	✓	✓	✓	✓
Bumper with protective rubber strip	✓	✓	✓	✓	✓
Handbrake warning light	✓	✓	✓	✓	✓
Quartz clock	(Digital)	✓	✓	✓	✓
Centre console	✓	✓	✓	✓	✓
Laminated windscreen	✓	✓	✓	✓	✓
Halogen headlamps	✓	✓	✓	✓	✓

Prices quoted include Special Car Tax, V.A.T., Inertia Reel Seat Belts and Driver's Door Mirror.



Skyline 240K Coupé

# PM outlines pay commission's role

BY IVOR OWEN

ADVANTAGES gained by workers in the public sector through greater job security and index linked pensions will be among the factors considered by the Standing Commission on Pay Comparability, the Prime Minister assured the Commons yesterday.

There was a mixed reception for the new body, with Mrs Margaret Thatcher, the Opposition leader, warning that the pay settlements resulting from its deliberations could prove inflationary.

Labour and Tory backbenchers saw it as an instrument for perpetuating incomes policy.

Mr Callaghan maintained that the dislocation caused by the strikes by low paid public service workers showed the need for such a body, which he believed the public would see as a welcome and early development from the recent agreement reached between the Government and the TUC.

He emphasised: "I think more and more people are moving to the conclusion, certainly in the public sector where free collective bargaining clearly does not apply, that an incomes policy is becoming more and more self-evident."

The Prime Minister looked to the standing commission to

prevent any further "merry-go-round" of leap-frogging wage claims.

He contended that the fact that it would be operating on a permanent rather than an ad hoc basis offered the hope that it would be more successful than earlier pay review bodies in ensuring that "this circularity will not be allowed to persist."

He confirmed that the standing commission's first task would be to undertake the comparability studies offered to the four groups of public service workers involved in recent disputes—the local authority manual workers, National Health Service ancillary workers, ambulance men and university manual workers.

The commission was being asked to report on these groups by August 1, 1979 and this meant that the chairman, Professor Hugh Clegg, and other members were being set "rather a fast pace" for the first few months.

Mr Callaghan defined the commission's role as being "to examine the terms and conditions of employment of particular groups of workers referred to it by the Government in agreement with the employers and unions concerned, and to

report in each case on the possibility of establishing acceptable bases of comparison, including comparisons with terms and conditions of other comparable work and of maintaining appropriate internal relationships."

Any further role for the commission in each case would be a matter for agreement between the Government and the parties.

If the nurses accepted the Government's offer of a comparability study, their case would also be examined by the commission.

Mrs Thatcher argued that the arrangements outlined by the Prime Minister contained a fundamental contradiction.

The commission was being asked to examine the feasibility of establishing acceptable bases of comparison while at the same time the assumption had been made that bases for comparison existed. Some of the workers had even been offered £1 on account.

Mr Dennis Skinner (Lab., Bolton), a member of the party's national executive, criticised the Prime Minister that there was another view about incomes policy.

"It's known as Labour Party policy," he said.

members of the commission as a "crowd of unacceptable moonlighters," and complained that what happened in the real world was that the workers got "battered" while the wealthy groups, like those who speculated in gilts, picked up the money.

With an unusual show of irritation, the Prime Minister accused Mr Skinner of exhibiting his usual arrogance by assuming that he was the only one who knew what the Labour Party view was.

"I am tired of taking it from him every time he gets up," said Mr Callaghan. "In the real world, he insisted, wherever comparability arrangements applied, those concerned were the last to want them removed."

An equally jaundiced view of the commission came from Mr Hugh Fraser who asked why it was necessary to re-regulate the failures of previous governments.

The proposal to establish the commission was just another way of deluding workers and guaranteeing inflation, he should be withdrawn.

The Prime Minister replied that the new body would be able to benefit from the mistakes

of the past. It was starting its life with the advantage that the trade unions were in agreement that a fresh attempt should be made to overcome the problems which had caused difficulties in the past.

But he agreed with Mr David Price (C, Eastleigh) that there was no scientific or objective basis for calculating pay-rates. "There must be some basis. We have to do the best we can. It is a very muddled field."

Mr Callaghan underlined the fact that the commission would operate only with the agreement of the parties concerned. It would not substitute other negotiating bodies like the Burnham Committee which deals with teachers' pay, but if, as it grew in authority, other groups wished to come within its ambit they would be free to do so.

Replying to Mr Michael Heseltine, the Conservative shadow environment minister, the Prime Minister confirmed that the cash limit would not prevent the Government increasing the amount provided for local authorities through the rate support grant to take account of any comparability award made to local authority workers.

# Nearly half Dunlop's staff strike over job cuts

BY CHRISTIAN TYLER, LABOUR EDITOR

NEARLY HALF the 43,000 workers at Dunlop's UK downed tools yesterday to support their trades unions' protest at the company's decision to close one of its tyre plants and seek redundancies at two others.

The company said the action had closed the tyre division and caused some disruptions in the industrial products group. All the engineering workers had turned up.

But in spite of pledged support from Continental unions, there had been no action in France, West Germany, Italy or any of the 22 other countries in which Dunlop has factories.

This was contested by Mr John Miller, a national secretary of the Transport and General Workers' Union, who said there had been short stoppages in German plants on Tuesday, and other stoppages elsewhere while protests about the British contraction were registered with managements.

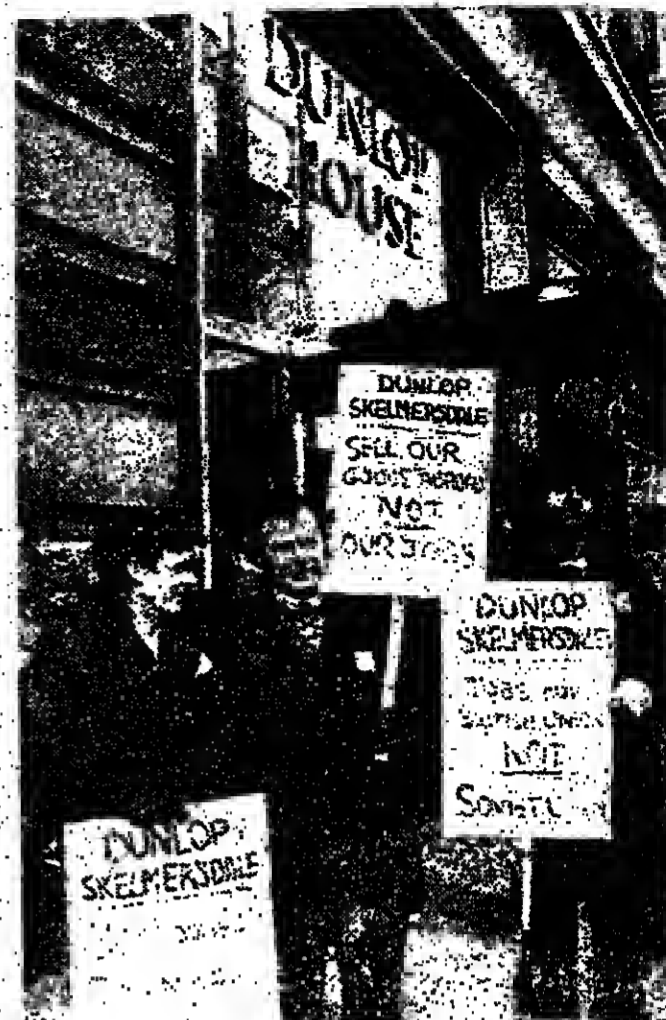
### First shot

The UK unions yesterday handed in letters to Dunlop's chairman, Sir Campbell Fraser, at the London head office. They warned that yesterday's one-day protest was only the first shot in what would become a longer campaign of strikes unless the company agreed to negotiate over its plans and to withdraw the 90-day closure notices served on 2,300 workers at Speke, Merseyside.

Mr Miller said his office had been "flooded with telegrams" of solidarity from Continental unions promising sympathetic action if the UK unions had to step up their campaign.

A call for support from other Dunlop plants has gone out from the International Chemical and Energy Federation in Geneva.

A company spokesman said



Hugh Rentledge

the chairman would meet the unions. There was talk yesterday of national talks on March 20.

The company issued the Speke closure notice on January 19; it is to take effect on April 19. At the same time the company said it wanted to reduce staff at Fort Dunlop, Birmingham, by 500 and at Inchinnan,

Glasgow, by 250. Whether those redundancies would be voluntary was being discussed with the unions as was the question of redundancy pay.

Meanwhile, the TGWU was briefing its sponsored MPs last night on Goodyear's decision to close its Clydebank tyre factory in Scotland with the possible loss of 700 jobs.

# Directors bemoan low pay

BY JOHN LLOYD

THE salaries of a number of Board members of nationalised industries are still less than those of executives below Board level, the select committee on nationalised industries was told yesterday.

This would remain true even after implementation of salary increases recommended by the Top Salaries Review Body and accepted by the Government last July, unless these increases were accompanied by an annual "update" to take account of inflation.

It was possible that "reverse differentials" would remain even then.

The salary increases, which are around 30 per cent up on the levels recommended by the TSRB in 1974, were to be paid in three stages—0, already paid, in January of this year; a second next month and the third in April 1980.

Mr Peter McCann, deputy chairman and managing director of Cable and Wireless, the state-owned telecommunications company, said that six executives below Board level in the company were at present earning more than he was.

Mr Denis Dodds, the chairman of the Association of Members of State Industry Boards, told the committee that in another State industry, 47 Board members had received less than top executives.

In a memorandum submitted to the committee, the Association argues that "anomalies in relationships and reverse differentials will remain at least until April 1980 and their removal even at that time will depend on a Government commitment to update the salaries."

"The Government's failure to implement pay increases recommended in 1974 continues to be a matter of astonishment in a society concerned to be even-handed in dealing with the rights of minority groups."

# White Paper notes research progress

BY DAVID FISLOCK, SCIENCE EDITOR

CHANGES made in the management and funding of Government research in 1972, following proposals from Lord Rothschild, as head of the Cabinet Office "think tank," have strengthened the Government's research and development machinery, concludes a White Paper published yesterday.

But the Government has identified four problem areas for further study:

• The recruitment, structure and management of the Scientific Civil Service, and specifically the movement of scientists into administrative posts;

• The need for its Advisory Board on the Research Councils to spend more time on general scientific issues;

• The problems experienced by the Department of Health in managing research by the Medical Research Council in areas in which the department lacks its own expertise;

• The problems of the Social Science Research Council in commissioning research.

The basis of the 1972 changes (Cmd 5048) was a substantial shift of the science vote towards research promoted by Government departments in support of their policies, and away from research undertaken without a direct application in view.

The changes, broadly designated the customer-contractor relationship, were

# Silkin defends refusal to phase out MCAs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN is determined that there should be no increase in EEC farm prices until the large agricultural surpluses within the Community are eliminated, Mr John Silkin, Minister for Agriculture, told the Commons yesterday.

He defended the position he had taken up during the Council of Agricultural Ministers' meeting in Brussels on Monday and Tuesday.

He had refused to accept the Commission's proposal for a two-year phasing out of Monetary Compensatory Amounts (MCAs), the subsidies which are paid on agricultural imports and exports between member countries.

The Commission's proposals would have meant increases in common prices for some of the member countries, he told MPs.

"This would have prejudiced our resolve to ensure that there are no increases in common prices until structural surpluses are eliminated."

"I therefore refused to agree to the proposals unless they were linked with a decision to freeze prices."

Despite Britain's opposition, the other eight member coun-

tries had decided to go ahead with the scheme to phase out MCAs. They had agreed between themselves to behave as though the proposals were in force.

"This is a decision for those member states but it has no effect in Community law," Mr Silkin said. "It in no way affects our ability to get a sustained freeze of common prices nor have we accepted the automatic reduction of our own MCAs."

The Council of Ministers had agreed in principle to the Commission's proposal for a 5 per cent devaluation of the Green Pound, the unit of account used to fix MCAs.

Mr Silkin said he had supported this move as it was in line with the Government's own farm policy.

The Council also discussed the proposed co-responsibility levy on milk producers which is intended to stop over-production of milk. "The Minister said he had made it clear that Britain could not accept this proposal in its present form because 'it grossly discriminates against our own efficient dairy industry.'"

He had also pressed at the

meeting for an early decision on a reduction of the tariff on the import of new potatoes from Cyprus and had urged that proposals to safeguard farm animals in transit should be brought forward quickly.

Mr John Peyton, the Conservative agriculture spokesman, strongly supported the stand which the Government had taken, on the co-responsibility levy.

He said it would have had a green effect on "our own efficient producers, while being particularly tender to the Germans, who had played a large part in generating the milk surplus."

He asked for a better explanation of the dispute over MCAs and the decision of the eight countries to go ahead without Britain.

"What really does it mean?" he asked. "Does it mean that the Commission will not be bound by their decision, and therefore MCAs will be paid as before?"

He also approved the Government's support of the 5 per cent devaluation of the Green Pound, but wanted to know when this was likely to be implemented.

# Stock Exchange directive

THE UK has two years in which to implement the EEC directive on "conditions for admission of securities to official Stock Exchange listing," Mr Clinton Davis, Trade Under-Secretary, said in a Commons written answer.

The directive was adopted on Monday, March 5. "In the UK, relatively little change will be required to the rules and practice of the Stock Exchange, as these are to a large extent already in line with the provisions of the directive," Mr Davis said.

# RAC attacks higher petrol tax plan

LEADERS of unions at Times Newspapers were called in yesterday by Mr Albert Booth, the secretary, for talks aimed at finding an acceptable formula to break the three-month deadlock which has halted publication of The Times, its supplements and the Sunday Times.

This further intervention by Mr Booth follows his last attempt at re-starting negotiations between the company, and particularly the National Graphical Association (NGA) in December.

The talks then came close to achieving a breakthrough in a formula which would have enabled the company and the NGA to negotiate on the crucial issue of new technology. But the possibility collapsed in a disagreement over the issuing of dismissal notices.

### Assets blocked

The value of Rhodesian assets blocked in the UK could well be more than £100m, Mr Ted Rowlands, Foreign Minister, told the Commons it was not possible to estimate the value of British assets blocked in Rhodesia, but they were believed to be of greater value.

### Shah request

The Government has not received any formal request from the Shah of Iran to come to Britain, Mr Frank Judd, Foreign Minister, told the Commons.

# Shipbuilding aid 'still essential'

STATE AID to British shipbuilders must be kept up while the worldwide recession in merchant shipbuilding continues, if the country wants to have a shipbuilding capacity when the upturn comes, Sir Peter Carey, Permanent Secretary at the Department of Industry, made clear yesterday.

Without the \$85m Intervention fund, he said, the industry would no longer exist.

While the present gap between demand and supply for ships existed internationally, the best the Government could hope for was that the Corporation would break even.

But he insisted that the Gov-

ernment would not be prepared to pour more money into the industry if it did not believe that, ultimately, there was a real possibility it would become profitable.

Once demand recovered internationally, he claimed, British shipbuilders would be in a position to make money. In the medium term, however, further funds would be needed, and the Government would want to continue the intervention fund, designed to attract orders to British yards, after next year.

Mr Carey, who is a member of the House of Commons public accounts committee, Sir Peter acknowledged the criticisms made recently by the Comptroller and Auditor-

# Tougher court reports plan watered down

THE GOVERNMENT is backing moves to water down a Private Member's Bill designed to place new restrictions on the reporting of criminal proceedings.

The Bill, introduced by Scottish barrister Mr Nicholas Fairbairn (C, Kinross and Perthshire) against the background of the Jeremy Thorpe case—would restrict reporting to the name of the accused, the charge and the decision of the court.

Reporting would be permitted only if the accused was discharged or when the trial was over.

But in detailed debate on the measure in committee yesterday, Mr Lee Abse (Labour, Pontypool) insisted that if a defendant was standing alone he should have the right to choose publicity.

Where there was more than one defendant, all would have to opt for reporting restrictions to be lifted before it could be done.

Dr Shirley Summerskill, Home Office Under-Secretary said Mr Abse's proposals were a "vast improvement" to the Bill.

"He has arrived at an acceptable compromise and he has made a strong case for lifting reporting restrictions when all the defendants ask for it."

But she added: "There is something unacceptable in allowing one co-defendant a

wishes to ride roughshod over the wishes of the rest."

Mr Abse said the Bill as it stood meant that no criminal proceedings could, in fact, be open to the Press.

A recent case involving a former South Wales mayor highlighted the difficulties that would be if the Bill became law.

There had been rumours about his association with a businessman but the two men were both adamant about their innocence.

They wanted to ensure during the criminal proceedings that nothing was hushed up—and the case against them was eventually dismissed.

If this Bill went through in its present form, they would not have been able to get the publicity they wanted, said Mr Abse.

Shortly before the debate was adjourned until next week, Mr Fairbairn said: "I do not think it is right for the defendant to choose how much publicity he gets."

With Scottish courts paralysed by the civil servants' strike, a Glasgow lawyer yesterday decided to take the Government to the Court of Human Rights in Strasbourg because of what he described as its "disgraceful failure to provide justice."

# Unregistered youth may distort jobless figures

BY OUR LABOUR CORRESPONDENT

MANY YOUNG people fail to register as unemployed and never come in contact with the organisation which should help them find work, says a report published by Youthaid today.

Youthaid, a research and pressure group for young people, argues that because of this, the official unemployment statistics do not convey a true picture of the problem.

Not registering is a particular problem among the young, racial minorities and women.

"It would appear that those groups who are most discrim-

inated against in employment, be it on the grounds of race or sex or both, are also the groups which figure most significantly among the unregistered."

Although some evidence suggested that the careers service reached most young people, there was concern about the service in some areas to the less motivated and less well-qualified.

The report suggests that the stigma attached to being unemployed and claiming benefit, complicated procedures,

# European unions back NUBE

By Our Labour Staff

EUROPEAN banking unions have joined the National Union of Bank Employees in taking a firm stand against the extension of bank opening hours and the reintroduction of Saturday opening.

The banking section of EuroFIET, the European section of the International Federation of Commercial, Clerical and Technical Employees, representing 850,000 bank staff in 22 European countries, pledged to back any unions fighting changes in bank working hours.

# New BL peace move today

NEW EFFORTS will be made today to settle the week-long strike by 300 machinists at BL Cars' Canley plant in Coventry as the company laid off another 500 workers, taking the total to 3,500.

The men walked out over the management's plans to transfer 32 machinists on a temporary basis from engine production to assembly work. The unions say that the work is unsuitable for machinists.

# Strike 'halts arms cash from Iran'

BY OUR LABOUR STAFF

STRIKE action by civil servants is halting arms payments to Britain by the new Iranian Government, the Society of Civil and Public Services claimed yesterday.

The society and the Civil and Public Services Association are taking selective strike action over the implementation of the results of an independent pay comparability study.

Union estimates based on the study suggest that rises averaging 26-36 per cent are due.

The society said that the new Iranian Government had been pressing the British Government for details of its outstanding debts on already-supplied arms.

But information was stored on the Ministry of Defence computer in Liverpool, which has been closed down by the strike.

"Therefore the Government is unable to tell Iran how much it owes Britain."

A spokesman for the Ministry of Defence said that there was no progress payment for arms due from Iran for another month, even

assuming that the contracts were going to stand.

The union also said it would call further lightning customs strikes at various ports in the next few days. Customs officials at Newhaven took action on Tuesday.

Union leaders representing all 600,000 white-collar civil servants will meet Civil Service Department officials today for talks on staging a pay settlement, but without any impending firm decision until further talks with Ministers.

Handwritten text in Arabic script: "مجلس الأحرار"

lop's cuts

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PROCESSES

### Italian polyurethane foam plant

PLANT and process sequences for the continuous production of polyether/polyol streams for manufacture of flexible polyurethane foams are offered by an Italian group.

Pressindustria has carried out a protracted study of the process and the reactor kinetics involved, based on propylene oxide and ethylene oxide as major raw materials, and using glycerine or similar starters.

Capital cost of the Italian-designed and built plant are claimed to be some 30 per cent lower than existing batch plants and they are provided complete with high reaction rate installations.

Pressindustria Group, 35 Via Porta d'Arnolfo, Blassano, Milan, Italy.

## Stripping wire

MODIFIED cutting head assembly is said to provide more efficient stripping by the model CF hand-held wire stripper, marketed by Eraser International, 2/3, Hampton Court Parade, East Molesey, Surrey KT8 9EB (01-979 8141).

Electrically operated, it is designed for the stripping of insulation from enamelled wires used in the manufacture of coils, motors, transformers, etc. The stripper automatically

## PACKAGING

### Keeping the coil bright and shiny

NOVEL METHODS of reducing risk of water staining of aluminium coil during transit and storage have been developed and introduced in the U.S. by Kaiser Aluminium and Chemical Corporation.

Essential to the method is a new moisture-resistant, recyclable stretch-wrap film for packing coils, returnable plastic pallets and a "happy face" label that signals exposure to moisture.

Aluminium is resistant to corrosion, but is liable to staining in the presence of moisture. Such stains are usually found aesthetically objectionable and may cause processing problems. The U.S. aluminium industry suffers freight damage claims worth several millions of dollars annually, water staining being a major contributor.

The stretch film employed in the new packaging has good resistance to puncture; if torn, the tightly wrapped film keeps moisture exposure to a minimum. End wrappers are of a shipboard/film laminate, treated with a chemical inhibitor to provide extra protection against staining.

The "moisture alert" label, attached to the film wrapping, features a tell-tale happy face, the left eye of which becomes distorted or runs, i.e., "cries," within an hour of exposure to potentially damaging condensations. The eye's "tears" are irreversible and remain visible even after the wrap and label have dried.

Exposure to moisture does not necessarily involve damage to the coil. However, rapid identification of possible damage at any stage of shipment or storage permits immediate action to be taken. Kaiser Aluminium is accompanying the introduction of the new packaging with printed information to customers incorporating suggestions for specific procedures to be followed when the possibility of damage is discovered. The company is also issuing an updated version of its publication for handling freight loss and damage claims designed to expedite accurate handling of claims where damage occurs and detailing the respective roles of its salesmen, carriers and customers.

Kaiser Aluminium, 25, Old Burlington Street, London, W1X 1LB. 01-487 9777.

## SERVICES

### Pot of gold in databases

JNILEVER'S involvement in services and special products in the data capture area appears to be paying off extremely well since record results are expected from Unilever Computer Services in the near future and Tymshare UK, of which the company holds 33 per cent, has just disclosed a compound growth rate of about 85 per cent over the past three years.

Tymshare Inc., the major shareholder, is also progressing very rapidly and its turnover for 1978 is put at \$149.6m against \$101.5m with pre-tax profit up 23 per cent at \$19.4m.

The UK arm of the organisation is specialising in the provision of data base management systems, two on IBM

machines and one on DEC 10. They cover sales analysis and forecasting, product profitability and pricing sensitivity studies, cash management and budgeting, and multinational applications carried on Tymnet, which is the company's international communications network covering North America, Western Europe and Hong Kong, Singapore, Japan and Australia.

Tymshare UK works with associates in France and Benelux, Germany and Japan, oriented in the same way as it has been, that is with participation from a major local group.

Further details of the services offered from Tymcom, Brettenham House, Lancaster Place, London, WC2 7EP. 01-240 2639.

## QUALITY CONTROL

### Compact X-ray source

MADE BY Gilardoni, an important Italian manufacturer of X-ray and nuclear equipment, the MLG 300/6 high powered portable X-ray generator can now be supplied by Delladene of Stewley Road, Southbury, Leighton Buzzard, Beds (052527 455).

Generating a maximum potential of 300,000 volts the unit is capable of 100 mm penetration in steel and its wide 50 deg beam angle is useful in providing better than normal coverage for short field focal distance.

The control unit employed regulates the anode current irre-

spective of the potential employed so that it is possible to adjust penetrative power to suit the work in hand simply by adjusting the anode potential between 75 and 300 kV.

Low weight (57 kg) of the unit is achieved by the use of light alloy construction and the use of lighter than normal transformer lamination material.

Accurate positioning with respect to the work is facilitated by a telescopic centre provided with a set of diaphragms to limit the beam angle together with a blanking disc to limit ray passage during tube run-up.

## COMPONENTS

### Designed to take the strain

EUROPE'S first aerospace production item to be made from carbon fibre—an air brake assembly on the Franco-German Alpha jet aircraft—is moulded from Carboform high-performance prepreg material manufactured by Fothergill and Harvey at its Littleborough plant.

Carboform was selected by the Alpha design team following a 14-month evaluation of carbon fibre prepreg materials supplied by a number of European firms. Tough tests were carried out to determine the effects of high temperatures and high humidity on the mechanical properties of laminates made from three materials. They demonstrated the qualities of the UK company's Code 69 resin system which led to the selection of Carboform.

The air brake mouldings are fitted caeb side of the fuselage just forward of the tailplane assembly and are about 1250mm (49in) long and 530mm (21in) wide.

When the aircraft is preparing to land a hydraulic actuator moves the hinged moulding into the airstream, thus reducing the airspeed. The high strength of the carbon fibre enables the moulding to withstand the enormous stresses that this operation places upon it. At the same time the very low weight of the moulding ensures that there is minimal penalty to lessen the Alpha jet's performance.

Production facilities for Carboform tape at Littleborough are among the most advanced in Europe and embody prepreg production skills that have been continuously developed from the early 1960s to the present day.

Quality control checks at critical stages of manufacture have led to approval by the Ministry of Defence (Defence Standard 05-24) and the CAA. Over 400 Alpha jets are currently on order and the joint manufacturers Dassault-Breguet and Dornier are confident that the estimated potential market of 1,000 aircraft will be exceeded.

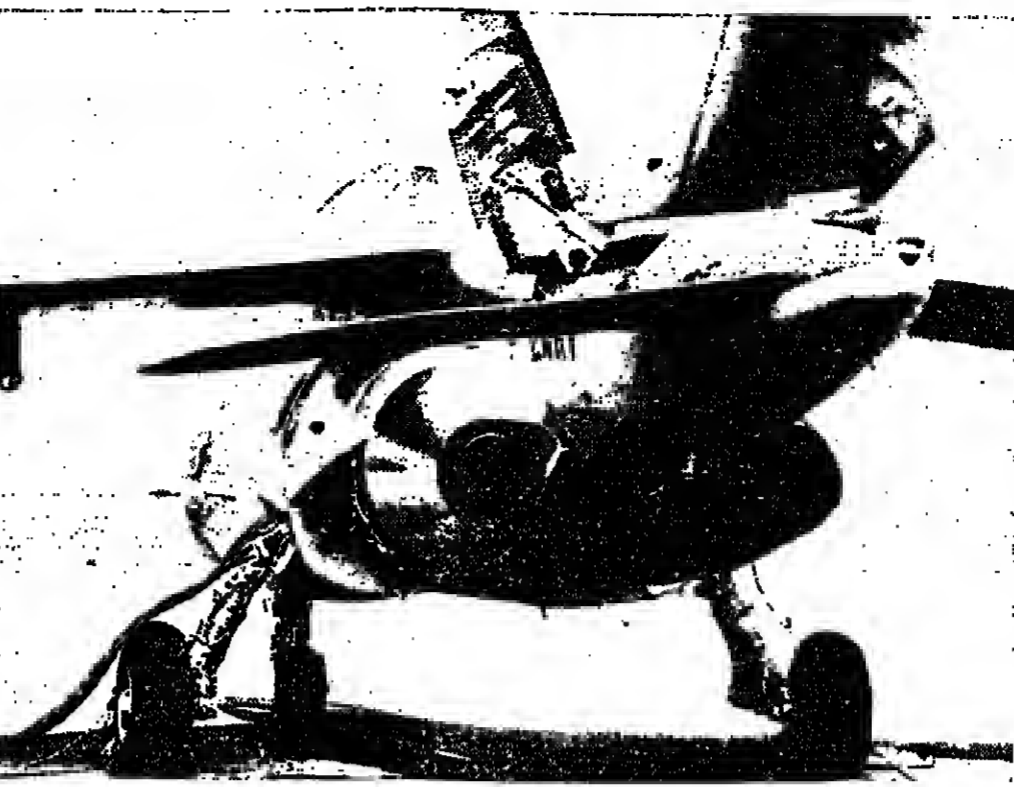
Fothergill and Harvey, Summit, Littleborough, Lancs O115 9QP (0706 78831).

## Freezes and grinds

LOSS OF essential oils in spices and foodstuffs may result from heat generated during grinding, but these problems can be eliminated by cooling the product or the mill itself, and embrittling the material to enable more efficient grinding, says EOC, Hammersmith House, London W6 8DX (01-743 2020).

This company is involved in a joint operation with KEK, a division of BSS, said to be one of Europe's major makers of size reduction equipment, in what is thought to be Europe's most advanced freeze grinding demonstration facility. This has been established at Macclesfield, Cheshire.

The facility will be used to demonstrate freeze grinding of a wide range of substances, which can be reduced to a free flowing powder or reclaimed from waste. These include plastics, rubbers, pharmaceuticals and foodstuffs.



Air brakes just forward of the tailplane assembly on the Franco-German Alpha jet aircraft are based on carbon fibre.

## Easier servovalve control

DEvised BY Abex Denison of Victoria Gardens, Burgess Hill, Sussex RH12 6ND (04446 5121) are a number of plug-in printed circuit cards which, used in conjunction with the company's solenoid-operated servovalves or flow controller allow simplified selection by the customer of a number of specified functions.

Eliminating the need to custom-build the necessary electrical controls, the units can work with most available transducers.

Ideal applications are in pump control and in hydrostatic transmissions. In addition to proportional control, derivative or velocity feedback can also easily be incorporated to provide an efficient means of damping control without heat generation or valve over-sizing.

Systems can be arranged with one or two feedback elements for controlling flow, position, speed, pressure or temperature and there are in all some 14 basic cards.

## Cell covers big weight spread

LOAD CELLS that combine low weight with a measurement span from 100 kg to 1,000 kg. Type 1697, are on offer by Strainstall, of Denmark Road, Cowes, Isle of Wight.

Incorporating eight high quality strain gauges in a fully-active bridge layout, each cell is connected by an integral four-core fully-screened cable, three metres long. The unit is sealed and can operate in ambient temperatures ranging from minus 10 degrees C to plus 70 degrees C. This ensures good overall performance in difficult situations.

Output is 1.5 mV/V of nominal full-rated output. Maximum load is 1.5 times that of the nominal full load. Supply voltage is a maximum of 20V, either ac or dc and bridge resistance is 700 ohms.

Strainstall on Cowes (098) 382 5111.

## Better for bearings

ALTHOUGH SIMILAR to Nylon 66 in toughness and strength, a moulding powder called Nylatron NSB-90 has superior wear performance and ability to accept generally higher bearing loads, claims Polypenco, PO Box 56, Welwyn Garden City, Herts (07073-21221).

It outwears PTFE (polytetrafluoroethylene) loaded acetals by

**DALE**  
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For prime power, standby, and the construction industry.  
Dale Electric of Great Britain Ltd., Electricity Buildings, Fife, Yorks. YO14 9PJ, UK. Tel: 0723-51 4141 Telex: 52163

over 2:1 and, states the company, its PV (bearing rating), unlubricated, of 15,000 compares with Nylon 66 at 2,700 and glass-filled PTFE at about 2,000.

## Latch for solenoid valves

HYMATIC Industrial Controls of Orchard Street, Redditch, Worcs (0527 67841) is now able to offer a magnetic latch option on its range of Skinner solenoid operated valves up to an inch in diameter.

The latch can operate on a momentary pulse from an AC or DC supply or "even from a small hearing aid battery" and uses a dual magnet arrangement with cancelling fields.

Once open or closed no current is consumed by the solenoid valve so that it can be used in systems where sensors such as thermistors or thermocouples are employed, or where the fluid being controlled is temperature sensitive, as in the brewing industry.

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**"I'm a process engineer, what can CADCENTRE do for me?"**

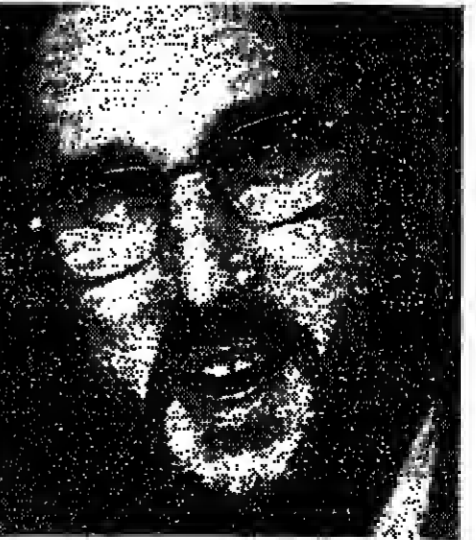
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# THE JOBS COLUMN, APPOINTMENTS

## Latest indicators of management salaries

BY MICHAEL DIXON

TO THE RIGHT lie the latest indicators of managerial-type salaries as compiled from the Reward survey (1 Mill Street, Stone, Staffordshire ST15 8BA—telephone 078 583 4554).

The figures are based on 2,400 people, with rare exceptions aged 33-37, who registered as job-candidates during September-January with the State-sponsored Professional and Executive Recruitment Agency. Brackets denote corresponding figures for September 1977 to January 1978, and the word "executives" in the table means "officers and managers."

The first six columns of figures cover all candidates in the particular category whether "professionally" certified or not. The last six refer only to those deemed to be qualified. If each category's candidates were ranked by salary, the lower quartile would be the pay of the person a quarter way up from the bottom; the median that of the one in the middle; and the upper quartile that of the person a quarter way down.

Before drawing comparisons, readers are recommended by Reward to make certain adjustments. Those working for international and big national concerns should add 12.5 per cent to the table's figures; those in regional companies with 200-1,000 employees should add 9.5 per cent; and others should add 4 per cent.

	All in sample			Professionally qualified only		
	Lower quartile (1977-78)	Median (1977-78)	Upper quartile (1977-78)	Lower quartile (1977-78)	Median (1977-78)	Upper quartile (1977-78)
Age group 33-37	£ 4,000 (5,200)	£ 8,800 (4,575)	£ 10,000 (8,137)	£ 7,000 (5,937)	£ 8,475 (7,750)	£ 10,000 (9,825)
General managers	5,075 (3,950)	6,150 (4,800)	7,750 (5,400)	5,000	6,900	7,750
Admin. managers	5,500 (4,750)	7,500 (5,500)	8,500 (6,800)	*6,500 (4,872)	*7,500 (5,500)	*8,250 (6,487)
Company secretaries	4,750 (4,000)	5,925 (5,000)	7,825 (6,500)	5,425 (4,725)	6,500 (6,000)	8,350 (7,062)
Accountants	4,450 (4,025)	5,500 (5,000)	6,500 (5,850)	5,312 (4,400)	6,150 (5,425)	7,450 (6,075)
Cost accountants	4,400 (5,200)	6,875 (6,000)	8,000 (7,700)	— (7,225)	— (7,800)	— (7,950)
Management services and computer managers	4,772 (4,500)	4,025 (5,000)	7,225 (6,000)	— (5,000)	— (5,600)	— (6,500)
Systems analysts	3,262 (3,262)	4,200 (4,200)	5,225 (5,225)	—	—	—
Computer programmers	4,575 (4,000)	5,200 (4,500)	5,825 (5,225)	5,312 (4,050)	6,000 (4,500)	6,925 (5,600)
O & M/work study officers	4,500 (4,362)	5,400 (5,000)	6,312 (5,700)	*4,225 (5,150)	*7,450 (5,700)	*8,025 (7,125)
Personnel executives	4,500 (3,600)	5,200 (4,000)	5,712 (4,700)	4,500	5,100	5,725
Training executives	4,500 (3,350)	5,050 (4,500)	5,950 (5,187)	—	8,275 (6,500)	9,475 (7,312)
P.R. executives	5,800 (5,000)	7,000 (6,000)	8,400 (7,000)	5,962	6,925	7,600
Marketing managers	5,000 (4,625)	6,000 (5,500)	7,500 (6,475)	4,400	5,000	6,100
Sales managers	4,137 (3,312)	4,850 (4,080)	5,625 (4,580)	3,937	5,900	5,875
Sales office managers	3,750 (3,100)	4,580 (3,850)	5,700 (4,825)	—	—	—
Sales representatives	4,000 (3,600)	4,900 (4,200)	5,500 (5,000)	—	—	—
Technical sales representatives	4,500 (3,577)	5,000 (4,250)	5,750 (5,000)	—	—	—
Retail management	4,887 (4,412)	5,500 (5,000)	6,350 (5,537)	5,000 (5,112)	6,000 (5,450)	6,887 (5,887)
Production managers—engineering	4,900 (4,200)	5,500 (4,850)	6,500 (5,800)	5,150 (4,725)	6,000 (5,250)	7,000 (6,100)
Production managers—non-engineering	4,537 (3,850)	5,100 (4,250)	5,787 (5,200)	4,812 (3,900)	5,425 (4,400)	6,500 (5,275)
Mechanical engineers	4,800 (4,225)	5,400 (4,300)	6,000 (5,200)	5,000 (4,600)	5,600 (4,925)	6,925 (5,200)
Electrical engineers	5,000 (4,437)	5,575 (4,775)	7,000 (6,250)	5,362 (4,500)	6,375 (4,925)	7,837 (5,837)
Quality control engineers	4,250 (4,000)	5,000 (4,500)	5,600 (5,000)	4,075 (4,437)	5,000 (5,175)	5,625 (6,100)
Draftspersons	4,200 (3,500)	4,600 (4,025)	5,487 (4,300)	4,500 (3,600)	4,650 (4,150)	5,450 (4,500)
Civil engineers	4,850 (4,000)	5,500 (4,925)	6,400 (5,500)	5,537 (4,925)	6,100 (5,250)	7,600 (5,962)
Technicians in engineering	4,000 (3,687)	4,850 (4,250)	5,400 (4,950)	4,500 (3,975)	5,000 (4,500)	5,400 (4,912)
Quantity surveyors	5,000 (4,575)	5,925 (5,000)	6,375 (5,600)	5,450 (4,650)	5,875 (5,000)	6,325 (6,100)
Chemists	4,425 (3,950)	4,800 (4,500)	5,675 (5,000)	4,712 (4,175)	5,625 (5,000)	6,125 (6,000)
Messengers	4,500 (4,475)	5,200 (5,050)	5,600 (5,500)	— (4,750)	— (5,400)	— (5,575)
Physicists	5,800 (5,000)	6,000 (5,800)	6,700 (5,700)	5,800	6,000	6,700
Distribution executives	4,362 (4,000)	5,000 (4,600)	6,037 (5,350)	4,850	6,050	7,250
Purchasing executives	4,275 (3,612)	5,000 (4,000)	5,900 (4,875)	4,562 (3,737)	5,500 (4,925)	6,475 (4,800)

### CHIEF EXECUTIVE

Due to the retirement of the present Chief Executive, The English Industrial Estates Corporation seeks a new one. The Corporation, with HQ in Gateshead, is responsible for developing and managing the Government's Industrial Estates in the Assisted Areas of England from Northumberland to Cornwall. It has over 200 sites and about 3.3 million square metres of factory space, which is growing rapidly.

The ideal candidate should have experience of financial control and of estate development and management. Familiarity with both the public and private sectors is desirable.

Salary about £16,000.

Please apply by 6th April, 1979, to:  
Mr. Geoffrey Robinson, CBE, Chairman  
English Industrial Estates Corporation  
Team Valley, Gateshead, Tyne & Wear NE11 0NA  
THE ENGLISH INDUSTRIAL ESTATES CORPORATION

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Write for a Personal History Form quoting Reference BS/96/FT to:  
A.A.A. Cochrane-Dyer, Personnel Controller,  
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These posts are wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free family passages, children's education allowances and holiday visits, free accommodation and medical attention. Applicants should be citizens of the United Kingdom.

For full details and application form please apply, quoting reference stating post concerned, and giving details of age, qualifications and experience to:-

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Please contact: ROY WEBB

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Thursday March 8 1979

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of the present Chief Executive of the Industrial Estates Corporation, with a view to developing and managing the Industrial Estates in England from Northumbria to Cornwall over 200 sites and also the use of factory space, etc.

should have experience of estate development and familiarity with both the public and private sectors.

By 6th April, 1979, Mr. J. H. Robinson, CBE, Chairman of the Industrial Estates Corporation, Head, Tyne & Wear New South Wales.

**INDUSTRIAL ESTATES CORPORATION**

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will probably be required to advise on the financial and legal aspects of the development of the site and to advise on the best way to proceed with the development.

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We are currently seeking a large number of experienced accountants to join our team in the planning and development of our new subsidiary in the Midlands. The successful candidates will be responsible for the financial and legal aspects of the development and will be required to advise on the best way to proceed with the development.

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## Regional Production Director

Sevenoaks, Kent c. £10,000 per annum plus car

ARC is a member of the Gold Fields Group and its principal business is the supply of materials and services to the construction industry in this country and overseas, mainly in the U.S.A. Group turnover is currently running at approximately £300 million per annum. This vacancy is for a specialist director who will report to the Chief Executive of ARC's South Eastern Region, have a seat on the Regional board and be responsible for regional engineering, transport and technical services plus the planning and co-ordination of production and processing of dry aggregate and bituminous materials in the London area, Kent, Sussex and Surrey. The handling of imported stone through rail-connected depots is an important part of the region's business. The man or woman appointed should have at least 5 years' management experience of production of the materials concerned, plus some experience of functional supervision or consultancy at senior levels. A professional engineering qualification would be an additional advantage. Please apply with full curriculum vitae to:- M. E. Dalmaioy, Management Development Administrator, Amey Roadstone Corporation Ltd., 15 Stanhope Gate, London W1Y 6AB.

**ARC Amey Roadstone**

### GROUP CHIEF ACCOUNTANT FRANKFURT

Up to 80,000 DM Negotiable

Our client, a substantial, expanding international property company, wishes to appoint a Group Chief Accountant, who will report to the Financial Director.

The person appointed will be responsible for:

- \* the preparation of accounts, including consolidated accounts for all companies
- \* the critical appraisal of all financial information prepared in various offices
- \* the preparation of quarterly and five year cash forecasts
- \* the preparation of budgets
- \* the monitoring of tax positions of all companies in conjunction with the company's professional advisers
- \* the achievement of maximum utilisation of funds

Candidates must be Chartered Accountants or hold equivalent qualifications, with five years post qualification experience in one of the larger firms of international accountants or with five years commercial or industrial experience with an international company. Candidates must be competent in written and spoken German. Age is not a criteria for selection.

Salary is up to 80,000 DM negotiable and there is a car. Assistance will be given with relocation expenses, if necessary. There are other attractive fringe benefits.

Please send a comprehensive career résumé, including salary history, quoting ref. 966, to:

W. L. Tait.  
Toucha Ross & Co., Management Consultants,  
4 London Wall Buildings, London, EC2M 5UJ  
Tel: 01-588 6644

## Senior Accountancy Opportunities

### UK and Overseas

Booker Agriculture International either manages or provides technical, consultancy and advisory services for sugar and general agricultural projects in more than 30 countries throughout the world.

As a result of substantial business expansion there are three new unusual and exciting opportunities for senior qualified accountants. Candidates ideally will have had

experience of international business operations gained working overseas.

Total remuneration and terms of service are very attractive. The two overseas positions also carry clothing, disturbance and education allowances, family passages, paid home leave, medical scheme and free accommodation. Career prospects in Booker Agriculture International are excellent.

#### Financial Controller - Guatemala City

The successful applicant will take charge of controlling, developing and reporting on all financial aspects of the operation of a coffee estate in Guatemala and a cigar

production company in Honduras. Previous professional working experience in Latin America together with fluency in Spanish would obviously be helpful.

#### Senior Accountant - Sugar Operations - London based

Responsibilities are for the monitoring of development plans, budgets, cash forecasts and borrowings of a number of major sugar projects throughout the Third World. There will be regular travel to overseas estates.

Previous professional involvement in tropical agriculture, preferably in Africa, although not essential would clearly be an advantage.

#### Training Accountant - Southern Somalia

Based on a major new £80 million sugar estate and factory development, and reporting directly to the Chief Accountant, the successful applicant will join a team of qualified expatriate accountants and have full responsibility for all

accountancy training, both on and off the job. Previous professional overseas experience, especially that of training local staff, is highly desirable.



Please send brief details of qualifications and experience to:  
W. J. Romanowski, Manager - Central Personnel Services,  
Booker Agriculture International Ltd., Bloomsbury House,  
74/77 Great Russell Street, London WC1B 3DF.



## Manager Computer Systems Development

Remuneration Package up to £17,000

Our clients are internationally famous and operate world-wide 4th generation computing services using IBM and ICL hardware and software. Applications range from standard batch systems to very large scale international real time systems and cover every aspect of the client's business. In a rapidly expanding business environment, our clients are now planning major systems development to take maximum advantage of latest technology.

Operating from a London main base, the Manager, Systems Development will report to the department head and be responsible for a very large group of systems and programming staff.

The successful candidate, of either sex, will be of graduate or professional status with substantial commercial or industrial experience. In-depth programming, systems design and analysis experience utilising the most modern computing techniques with a proven implementation track record are essential characteristics of the person profile; but management experience of the very highest calibre is vital.

Please send your curriculum vitae in strict confidence to T.D.A. Lunan at the address below or telephone 01-437 2515 (24 hour live answering service) for a personal history form quoting reference number 296.

**Lunan**  
Management Selection Division

T.D.A. Lunan & Associates Ltd.,  
1, Old Burlington Street,  
London W1X 1LA.

## Jacquard Systems Financial Controller

(UK & EUROPE)  
c. £12,000 + CAR + BONUS

A M Jacquard Systems is a rapidly growing organisation supplying mini-computer based automated office systems to the business world. The equipment which is manufactured in Los Angeles operates data processing, word processing and communications simultaneously with equal facility. The company is responsible for the marketing and support of its product range sold both directly and through distributors throughout Europe, Middle East, Africa and India. To implement their growth, they now require a Financial Controller to be responsible to the Managing Director for the set-up of accounting and administrative procedures throughout the U.K. and Europe. Capability in financial planning, monitoring and control is essential, and candidates should have 2/3 years' experience in industry, following a post-qualification consolidation period. The ideal age range is 28-35, and full professional qualifications are essential. Direct knowledge of mini-computer manufacture or sales

would be ideal, and knowledge of another European language (preferably French or German) would be an advantage. The position is based in High Wycombe and there will be an element of travel involved. Salary and conditions are excellent, as are career prospects in this dynamically expanding company. In the first instance please send your c.v. to, or request an application form from, Ron Burgess quoting reference RB/FT/238.

#### Jean Dennington Limited

Personnel Consultants,  
14 New Burlington Street,  
London W1X 1FF.  
Tel: 01-734 6134

## Managing Director

CNC machine tools £18,000 + bonus + car



We are looking for a very able person to be the Managing Director of BMG Pierce-All Limited, a company with a strong profit record and a leading manufacturer of punching machines for the sheet metal industry. Candidates should be in their 30s or early 40s and have had direct experience of the manufacture, assembly and development of CNC controlled machine tools. They must demonstrate success in a profit sensitive general management role. The successful candidate will have the ability to develop the company and its products substantially over the next ten years. The company is part of the BMG Group in which the holding company co-ordinates key marketing and financial objectives

and the Managing Director of the machine tool company will report directly to the Group's Chairman. The salary is £18,000 plus a bonus to be determined annually after an introductory period. An appropriate car and good fringe benefits will be provided. Location: Berkshire. PA Personnel Services.

Ref: GM51/8798/FT  
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

#### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

## Not so much A LAWYER more a way of life

We used this advertisement with great success recently and we now need to make another appointment.

We are looking for a graduate in his or her middle twenties, who is a qualified Solicitor or Barrister with the enthusiasm and the ability to master a wide range of commercial problems and hence give practical and constructive legal advice.

This is a European and international job involving travel and so fluency in a Continental foreign language is strongly desired. Alternatively the successful applicant could be a legally qualified Continental European with fluency in English.

If this sounds interesting then please write with brief details to: Legal Director, Gillette Industries Limited, Great West Road, Isleworth, Middx.

**Gillette Industries Limited**

### INTERNATIONAL BANKING

£3,500 - £7,000

Our client list includes most of the genuinely active International Banks in the City, giving rise to an extensive portfolio of progressive career opportunities embracing:

- Foreign Exchange
- Bank Accounting
- Internal Audit
- Eurobonds/Securities
- and Credit Analysis

Openings occur from junior through to senior level and with banks of widely differing size and "flavour."

To discuss the possibilities in the light of your own experience and career objectives, please telephone either John Chiverton, A.I.B., or Ann Costello.

JOHN CHIVERTON  
ASSOCIATES LTD.  
31, SOUTHAMPTON ROW,  
LONDON W.C.1.  
01-242 5841

### APOLLO MAGAZINE

An opportunity to work for

We are looking for an assistant in the Advertisement Sales Department responsible to the Advertisement Director

Applicants should be in their early/mid twenties. Enthusiasm and common sense more important than previous experience. Salary negotiable. Driving licence and knowledge of languages an advantage.

Write or telephone, in confidence:  
Anthony Law, Director, Apollo Magazine Ltd.,  
22 Davies Street, London W1Y 1LH.  
Telephone 01-629 3061

## RECENTLY QUALIFIED OPERATIONS/FINANCIAL INVESTIGATIONS

London/Midlands

Emoluments to £8,750 + Car

Our client is a major British group with ambitious plans for further development.

In order to strengthen a recently established team, the group now seeks to recruit a recently qualified accountant. The successful candidate will have responsibility for conducting high level investigations and operational reviews both in the U.K. and overseas.

Candidates should possess a critical faculty, a strong personality and probably be in the mid 20's. They should have had exposure to advanced accounting and reporting systems, and could be in either practice or industry. Opportunities for advancement within the group are excellent.

For further information and an application form contact Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2417.

commercial/industrial division  
Douglas Lymbing Associates Ltd.  
Accountancy & Management Recruitment Consultants,  
410, Strand, London, WC2R 0NS. Tel: 01-838 6001  
121, St. Vincent Street, Glasgow G2 2HW. Tel: 041-296 3101  
2, Colton Place, Edinburgh EC3 7AA. Tel: 01-225 7744



## Merchant Venturer

Bahamas

to take over the next phase of profitable expansion of a U.S. company which has invested twelve years of its resources in research into advanced automobile technology brought to a significant breakthrough. Over one hundred prototype vehicles have been performance tested to top requirements and new funds amassed for early volume production. With the title of Finance Vice-President the "chief of staff" to the owner will monitor all design, manufacturing and distribution; including finance, contracts, key appointments and board and shareholder meetings.

Candidates, men and women aged 38-42, will have C.A., M.B.A. and C.P.A., transatlantic experience of automotive industry and unwavering ambition to accrue a million dollars capital in addition to salary by relentlessly accurate analyses and utilisation of complex information networks. Those interested should put their case on one sheet of paper and send it in confidence to Mr. Smith.

Basic Salary of £20,000 tax free

J.G. Smith & Partners

21 Princes Street, Hanover Square,  
London W1R 7RG.

### ASSISTANT EDITOR

required by long-established financial and economic journal. Ability to write clearly and handle figures essential and experience in the City or financial journalism desirable. Only those with a good degree or professional qualifications should apply.

Write, with full particulars, to Box A.6685, Financial Times, 10, Cannon Street, EC4P 4BY.

### QS

BANKING RECRUITMENT  
CONSULTANTS

FX Dealers	to £14,000
Graduate Corporate	c. £8,500
Lending Officer	c. £9,500
Systems Analyst	c. £7,500
ACA's (2)	c. £7,500
Graduate Credit Manager	c. £7,500
MBA's (4)	c. £7,500
Eurobond Settlements	c. £4,000

Please call MIKE POPE or SHEILA ANKELL-JONES  
236 0791  
30, Queen Street, EC4

## Financial Controller

Boddingtons' Breweries Limited at Manchester

This public company has achieved an outstanding growth record in sales and profits and is currently undertaking a sizeable capital development programme to provide further production capacities. It now needs a Financial Controller who will report to the Chairman and manage the central accounts department. He or she, will be particularly concerned in the development of new management accounting and financial control data for the Board.

Starting salary will be negotiated at not less than £8,000 p.a., with company car, pension scheme and other benefits. Candidates, ideally not less than 30, must be

Chartered Accountants who already have accounting management experience in a manufacturing company, preferably concerned with fast moving consumer goods. They must be familiar with EDP, conversant with modern costing and financial control disciplines and prepared to undertake certain basic development tasks at the outset. Given success, the selected applicant can expect a progressively rewarding career.

Please write in confidence with relevant career details and home telephone number to H. C. Holmes, at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

**Bull Holmes**  
PERSONNEL ADVISERS

هكذا من الأهل



مكتبة الأمل

### Financial Director Designate

West Yorkshire, c. £11,000 + car

Situated in a pleasant rural setting, the company, part of a major diversified public group, is currently undergoing a significant investment programme. Reporting to the Managing Director, responsibilities will be for the total accounting function of three companies operating from within one centralised unit. As a member of the Management Team, the appointee will make a significant contribution to the company by advising the Board on all commercial aspects affecting both operating efficiency and profitability. The position requires a qualified accountant, ideally aged 30-45, with experience in controlling the total accounting routines of a business, preferably within a process industry. Involvement in computer applications would be a distinct advantage. Benefits including relocation assistance will be commensurate with this senior appointment.

G. Sable, Ref: 29212/FT.

Male or female candidates should telephone in confidence for a Personal History Form to: MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HE.



## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

### ASSISTANT FINANCIAL ADVISER

#### Financial Planning

£10,770 p.a. - £13,270 p.a.

The Electricity Council is the central co-ordinating body of the electricity supply industry in England and Wales.

You will be responsible for the Financial Adviser for a wide range of financial planning work including matters relating to capital investment programmes and investment appraisal, inflation accounting, financial estimates and related data for tariff and other purposes including the development and use of financial models, financial objectives, financial aspects of corporate planning and the co-ordination of financial returns to Government departments and other bodies.

This interesting and demanding post, calls for a well-qualified accountant, preferably with an economics background. An analytical approach to problem solving and the ability to write effectively are required.

Applicants should be capable of creative thought and willing to keep abreast of new developments in their field of work.

Some assistance with relocation expenses given in appropriate cases.

Please write in confidence, giving age, career to date and present salary quoting ref FT/38 to:-

Duncan Ross, Recruitment & Development Officer, The Electricity Council, 30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

## Morgan Grenfell AUSTRALIA LIMITED

### Merchant Banking in Australia

Morgan Grenfell Australia Limited, a wholly owned subsidiary of Morgan Grenfell & Co. Limited, a leading London Merchant Bank, wish to appoint an Australian national as an executive to assist in certain aspects of their merchant banking activities in Australia.

The successful applicant will be professionally qualified as a Chartered Accountant and will have gained experience in a major firm with a substantial corporate practice. As an indication, applicants should be in the age group 25-30.

Please apply in writing enclosing a curriculum vitae to:

The Managing Director, Morgan Grenfell Australia Limited, c/o Morgan Grenfell & Co. Limited, 23 Great Winchester Street, London EC2P 2AX.

Selected applicants will be invited to an interview by the Managing Director in London during the week commencing 2nd April 1979.

Morgan Grenfell Australia Limited 173 Macquarie Street, Sydney, N.S.W. 2000.

APPOINTMENTS ADVERTISING £16.00 PER SINGLE COLUMN CENTIMETRE

### Financial Controller

London W1. to £15,000

A major firm of surveyors seeks a Controller, to be responsible for all financial matters, with particular involvement in developing the management information systems from branches and introducing basic EDP support, also acting as adviser to partners and clients. Start salary is negotiable in the range £12,500 to £15,000, plus car and bonus.

Candidates should ideally be qualified accountants aged say 35-45 with prior experience as the head of a finance function in an autonomous company (or profit centre). A period in such a partnership or a service-based commercial organisation would be ideal. Current tax knowledge is desirable.

For a fuller job description write to John Courtis & Partners, Selection Consultants, 78 Wimpole Street, London, W1M 9DQ, demonstrating briefly but explicitly your relevance and quoting reference 7033/FT. This is an equal opportunity appointment.

JC&P

### REGIONAL FINANCIAL CONTROLLER FOR MULTI-NATIONAL BUSINESS SERVICES COMPANY

Excellent career opportunity for experienced accountant with systems and computer use/application knowledge.

We are a progressive U.S. multi-national company experiencing growth which has required us to establish this new position which could lead eventually to advanced positions in financial management in Europe or the United States.

We require an internationally minded individual with at least 4 years' line accounting experience in a supervisory or management post, either in the U.S.A. or with a U.S. multi-national firm. Ideally, this experience should also include exposure to computer operations and management information systems. Good sound knowledge of U.S. accounting principles is a must. The position is based in Paris and reports to the Vice-President for France, Switzerland, Italy, Spain and Portugal. 30-50% travel time is anticipated. Languages required are English and French, and German would also be desirable.

Compensation will be in accordance with qualifications and will include excellent benefits and relocation allowances.

Enquire with c.v. and salary history, with current requirements to:

Box A.6687, Financial Times, 10 Cannon Street, EC4P 4BY.

### Senior Securities Officer (Unit Trust)

Hong Kong

Up to £12,760 p.a.

- 25% gratuity on salary
Free medical treatment
Free passages
Low tax area

- Generous terminal leave
Subsidised accommodation
Education allowances
Holiday visits for children

Applications are invited for appointment as Senior Securities Officer (Unit Trust) in the Government Securities Unit Trust in the Government Securities Department, Hong Kong. The successful candidate will be responsible for the application and enforcement of the Hong Kong Code on Unit Trust and Mutual Funds, and processing applications for subscription of unit trusts and mutual funds.

Applicants should preferably be over 25 years of age and must have (a) an honours degree preferably in Economics, Commerce, Business Administration or Law from a British University, or equivalent, plus at least 3 years' post-qualification experience in a bank or a similar financial institution, including at least 2 years' senior executive or managerial experience in the unit trust or mutual fund field; OR (b) Corporate membership of (1) Institute of Chartered Accountants in England and Wales or Scotland or Ireland, (2) Institute of Municipal Treasurers and Accountants, or (3) Association of Certified Accountants, plus at least 5 years' post-qualification experience in a bank or a similar financial institution, including some senior executive or managerial experience in the unit trust or mutual fund field. The salary scale is from HK\$5,300 to HK\$10,100 per month (approximately £11,790 to £12,760 p.a.).

For further information and application form, write to the Hong Kong Government Office, 6 Grafton Street, London W1X 3LB, quoting reference GS/SSC(UT) at the top of your letter. Closing date for applications: 30th March 1979. \*Based on exchange rate HK\$50.50 = £1.00. This rule is subject to fluctuation.

Hong Kong Government

### RECRUITMENT CONSULTANT BANKING

Age 20-40

£ 5-figures

Banking Personnel, established in 1977, has proved highly successful in its role of providing all levels of staff to the banking profession and has become an acknowledged leader in this field. Our policy is one of personal and professional service to both Clients and Candidates, and in order to maintain our high standards of Consultancy work over a continually increasing sphere of operation, we seek to augment our close-knit and effective team of Consultants by the addition of a self-motivated and ambitious person. Whilst previous experience of Banking recruitment would be an obvious asset, we would like to hear from anyone with a background of either Banking/Finance, or Agency work, who would be interested in a long-term career with a Company which offers not only an outlet for self-expression but a secure future. As considerable Client contact is involved, the successful applicant must be articulate and well-presented, although the essential attributes are a genuine affinity towards people, and an interest in their future.

A high basic salary will be offered, together with a generous results-related earnings scheme giving every incentive for success. Additionally, the company provides long-term service agreements and an excellent pension scheme.

Please telephone, in strict confidence, Rod Jordan, A.I.B. (General Manager)

BANKING PERSONNEL

41/42 London Wall London EC2 Telephone: 01-588 0781 (RECRUITMENT CONSULTANTS)

### FINANCIAL DIRECTOR DESIGNATE

LONDON

c.£11,000

For fast expanding unquoted public company operating in a diversity of computer oriented activities both in the UK and overseas.

The ideal candidate is a qualified, chartered accountant, early 30s with at least five years' experience in industry or commerce and well versed in management accounting techniques. The position reports directly to the chief executive of the group.

Salary circa £11,000 plus car and usual fringe benefits.

Replies, with curriculum vitae, to:

Maldment Posner Consultants, 78 Wimpole Street, London, W1 Reference CS7

### THE CITY OF LIVERPOOL COLLEGE OF HIGHER EDUCATION SENIOR ADMINISTRATIVE OFFICER

(Salary: £6,513-£7,230 including supplement)

to act as Secretary to the Governing Body and to be responsible to the Principal for the College administrative service. 1,100 undergraduates and postgraduates. Degree courses validated by University of Lancaster. Applicants should possess graduate or graduate equivalent qualifications and administrative experience, preferably in higher education. The College site of 70 acres is 8 miles from Liverpool City Centre. A family house may be available on site. Closing date: 18th March, 1979.

For further details, and application form, please write to: The Principal's Secretary, The City of Liverpool College of Higher Education, Liverpool Road, Prescott, Merseyside L34 1NP. Tel: 051-489 6201.

### Judy Farquharson Limited

17 Stratton Street, London, W1X 5FD. 01-493 8824

#### Channel Islands

Unusual opportunity in firm of Investment Managers moving to Jersey. Ideal position for an investment or dealing assistant wanting to progress to managerial level. Age 22-27. Salary negotiable.

#### Business Analyst

For new business appraisal, strategic planning and analysis of existing business of well-known City-based company. Many numerous situations with relevant work experience. Age c. 25 years. Salary c. £5,500.

JFL RECRUITMENT CONSULTANTS

### CHIEF ACCOUNTANT c.£9,000

Exciting challenge offered by this prestigious shipping company for first-class qualified accountant with expertise and initiative to control all financial/management accounts. Excellent opportunities to progress even further within the main group.

Please contact: Betty Lees KEYRIGHT PERSONNEL 30, Queen Street, EC4

### Managing Director

Hertfordshire

c. £11,000 plus car

Our Client requires a Managing Director (designate) for one of its subsidiary companies. The subsidiary employs about fifty and is engaged in the manufacture of tools and dies for the rubber and plastics industries.

The successful applicant will be appointed to the Board on joining and is required to succeed to the top position in the subsidiary at an early date. He will enjoy a considerable degree of autonomy as the group has a policy of delegating responsibility to its subsidiary chief executives and their boards. As soon as an outstanding competence has been demonstrated additional opportunities within the organisation will be available to the successful candidate.

Applicants are likely to be between 40 and 50 years of age and must have a strong mechanical

engineering background with experience in the rubber or plastics industry. A proven ability in general management, particularly in the motivation of subordinates is more important than formal qualifications.

A salary will be negotiated around £11,000 p.a. and a car will be provided. There are excellent pension arrangements with life assurance cover and a medical insurance scheme. Realistic relocation expenses will be paid in appropriate cases.

Please write stating age, current salary and how you meet our Client's requirements, quoting reference number MD/3999/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without your permission.

Urwick, Orr & Partners Limited

Management and Selection Consultants

Baylis House, Stoke Poges Lane, Slough SL1 3PF

### THE POLYTECHNIC HUDDERSFIELD

Department of Computer Studies and Mathematics PRINCIPAL LECTURER - COMPUTING/INFORMATION SYSTEMS Ref: ACA/307

The principal degree and diploma courses within the Department involve major studies of applications of computers in business, industry and public authorities. The successful applicant should have appropriate academic and practical experience to promote and lead specialised studies relevant to these courses. A good Honours Degree and/or MSc is essential. Staff are expected to undertake activities including research, in addition to teaching duties.

Salary: £7,047-£7,818 (Bar) £8,844 (Further details and application forms, which should be returned by March 22, 1979, from the Personnel Office, The Polytechnic, Queensgate, Huddersfield, HD1 3DH. Telephone 0484 22288, Ext. 2225.

### BUTLER TILL LIMITED

Sterling Money Brokers

### Trainee Dealer

Age 20-22

We require a keen and personable individual to train as a Local Authority Broker. A knowledge of the workings of the money markets or parallel markets would be an advantage.

All applicants should write in confidence to the Managing Director giving full details of background and career to date.

The Managing Director, c/o Miss Jane Bacon, Butler Till Ltd., Adelaide House, London Bridge, London, EC4. 01-623 5222.



THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

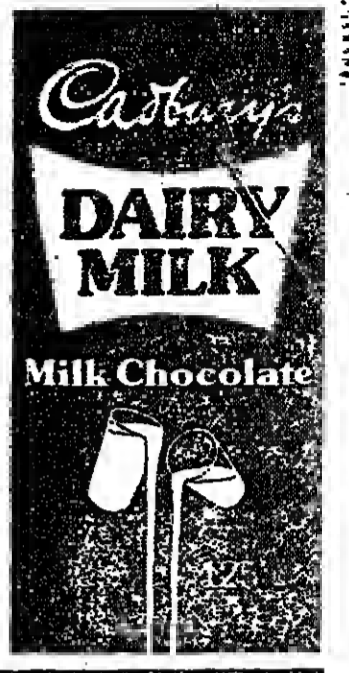
How Observer plans to turn the screw

STIOUS TO hold on to revenue and circulation... The Observer has hired new advertising agency and is to boost its ad budget...

Cadbury and the big brand sound

HAVING PRESIDED over one of the classic marketing errors of the post-war years, it is only fitting that the confectionery division at Cadbury Schweppes should once again be featuring handily among Britain's top dozen or so marketing managements...

Table with 4 columns: Brand, Sales, Product, and Category. Includes Cadbury Dairy Milk, Rowntree KitKat, Mars Mars Bar, etc.



Advertising: 17 different ways to spend £2bn

THE ADVERTISING INDUSTRY this year spend at least £2bn advertising its wares and services... Cranfield's research work in this area, what emerges starkly is that there is no single formula appropriate to all products...

It is dominated by three giants - Cadbury, Rowntree Mackintosh and Mars - who circle each other warily and fight like mammoths for every decimised point of every single percentage of every market sector in which they compete.

The stakes are high, and at current rates, Cadbury is more than holding its own. Chocolate accounts for 90 per cent of its confectionery sales... Yorkie taught Cadbury a very important lesson, though it is a sign of Cadbury's maturity...

At that time there was a belief that the confectionery market was static... Yorkie taught Cadbury a very important lesson, though it is a sign of Cadbury's maturity... Our belief is that advertising is a long-term investment in goodwill...

LEGAL NOTICE Allied Irish Banks Limited INTEREST RATE CHANGES. Allied Irish Banks Ltd. announce that with effect from close of business on 7th March 1979 the Base Rate for advances is reduced from 13 1/2% to 13% per annum.

Make your conference business a pleasure. Why choose a humdrum city? Bristol has everything. And it's no distance by motorway or High Speed Train...

The Rotisserie Normande offers you that extra personal touch. Just phone Joseph Lasser, our restaurant manager, and ask him to send a copy of his menu to your home or office.

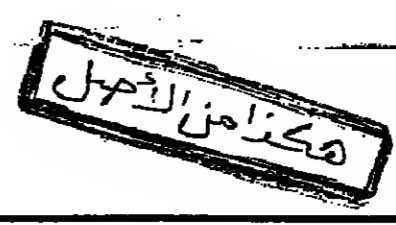
Sell dishwashers on Southern and you could easily clean up. Thanks to a distinctly up-market audience profile, the Southern Television area outshines the national average on almost every consumer durable count.

We can wrap up your entire direct mail problem in one easy package. Ask us how. Media plan? Totally devised in London via DRI - the largest independent overseas media brokers in the UK.

Bristol requests the pleasure of your Company. WHO'S WHO in Advertising and Marketing. JOHN GEISMAR finds the best Advertising and Marketing Executives for the best jobs in the U.K.

PROMINENT CITY BUSINESSMEN ARE BORROWING THEIR COMPANY CARS. Heron Leasing provide cars for some of Britain's most respected companies. Ford, BL, Vauxhall, Chrysler and all imports available now on competitive and totally flexible leasing terms.





THE ARTS

Book Review

Father figure by B. A. YOUNG

Herbert began as an amateur during the eight years he spent in his father's business as a corn-chandler, but he was well enough esteemed to charge for his spare-time occupation. As a professional he seems to have progressed at a great rate, training himself on such books as Various Expressions of the Emotions. He began in 1878, and by 1881 was already earning the immense fee of 14 guineas a week.



Patrick Fitzgerald, Caroline Helder and Natasha Gompertz

Royal Court 'Garage'

Baby Talk by MICHAEL COVENEY

The Young People's Theatre Scheme at the Royal Court operates mainly in a garage round the corner from Sloane Square and is currently presenting a double bill of two 90-minute plays: Trust You by Anna Wheatley (aged 19) and Bobby Talk, devised by Tim Fywell from stories and poems by Patrick Fitzgerald (aged 22).

Wigmore Hall

Maurice Bourgue by NICHOLAS KENYON

Great oboists are rare creatures; Maurice Bourgue is one of those select few outstanding performers on the instrument, famous as both performer and teacher. Students and parents, colleagues and admirers filled the Wigmore Hall for his recital on Tuesday with his wife Colette King, and he responded with a generous programme including two unaccompanied showpieces, Britten's Metamorphoses and Berlioz's Sequenza VII.

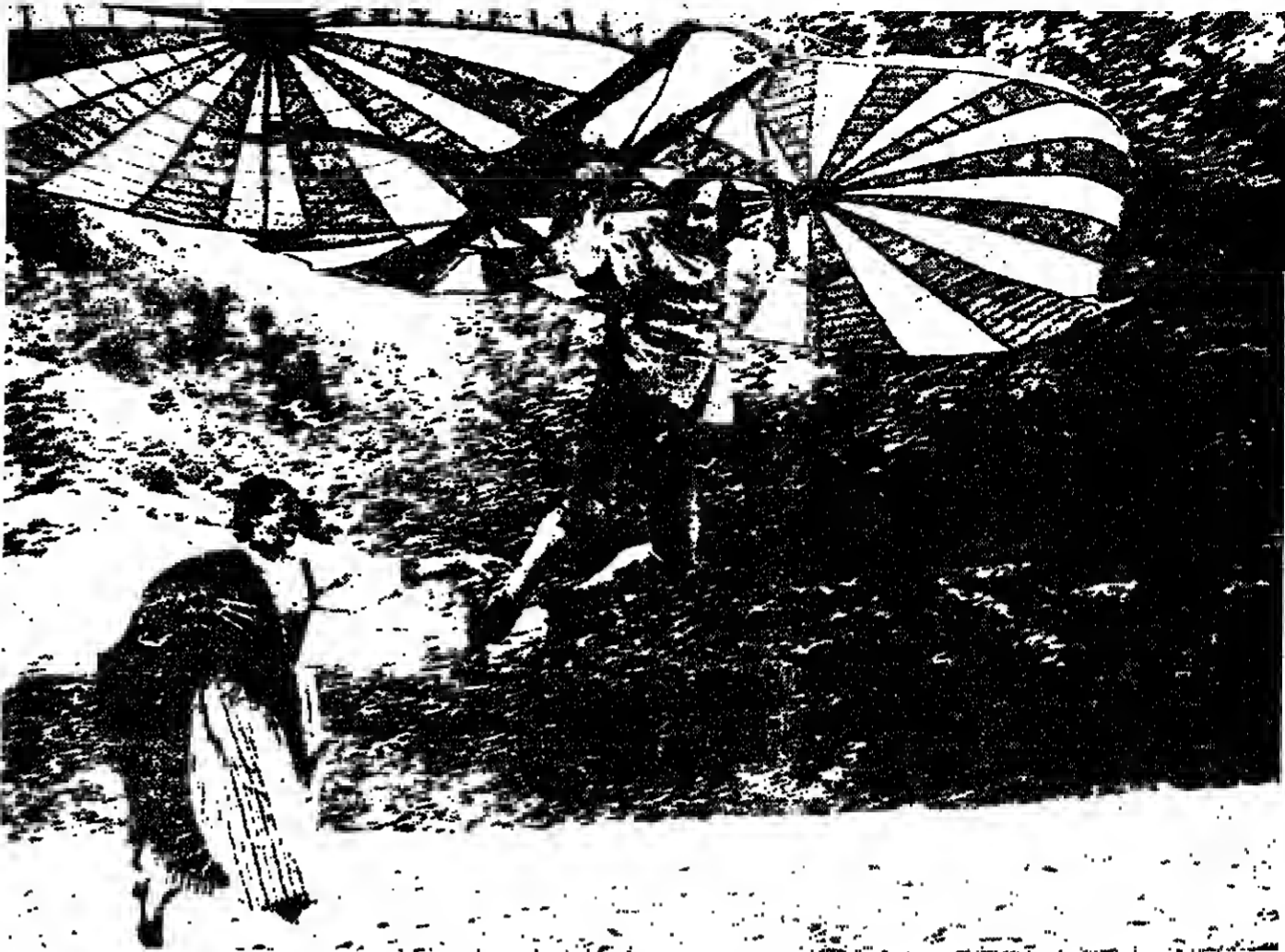
Arts news in brief

Paavo Berglund is to relinquish his position as principal conductor of the Bournemouth Symphony Orchestra in August this year. The orchestra will not be severing its link with Mr. Berglund as he will make regular guest appearances with the orchestra in future years. Firm commitments include a number of concerts in this country during the 1979/80 season, recordings with EMI and a tour abroad in 1981.

Berlin Film Festival

Dented reputations by NIGEL ANDREWS

"Oh, mein Gott, das ist meine Tochter!" cried George C. Scott, clutching his forehead. At least, that's what he cried according to the German poster for the American movie Hardcore, shown in competition at this year's Berlin Film Festival. What Mr. Scott actually says in the film—no problem for German speakers—is: "My God, that's my daughter!" uttered on glimpsing his missing teenage child acting in a San Francisco porno movie.



Tilo Prückner as 'The Tailor from Ulm'

How are the mighty fled! one murmured in astonishment as the Iron Curtain swept shut behind the indignant departees. But although the mass exit made for a sadly depleted festival, those who read my views on The Deer Hunter last week—pronouncing it the nearest thing to a masterpiece the American cinema has produced in years—will find few shreds of sympathy here for the motives of the walk-out.

capitalist opportunism may be used to build the foundation for a new era of tyranny and exploitation. The film is oddly silted in structure and style for a Fassbinder movie—it's only the second feature that he has not scripted himself (the first was Despair)—and the leached, anaemic colour photography is an acquired taste. (I acquired it, but dozens didn't.) What does impress is the application of Fassbinder's decorative, toleau-rivon direction to a two-hour story that has some of the cliffhanging fascination of a television serial.

Guildhall

La scala di seta by MAX LOPPENT

Its overture apart, Rossini's Silken Ladder is not very often played, and not very highly rated. Meeting the opera for the first time on Tuesday in the Guildhall School performance, I was enchanted by it. It is early Rossini, his fifth opera and fourth to reach the stage (Venice, 1812). It boasts the special charm peculiar to the early Rossini comedies, the luminous freshness that is the product of excellent schooling (the spry, beautifully "heard" scoring is just one of the evening's pleasures), resource in formal shaping, and lyrical felicity.

Advertisement for Scottish New Towns in London. It features a row of five circular logos for CUMBERNAULD, EAST KILBRIDE, GLENROTHES, IRVINE, and LIVINGSTON. Below the logos, it says 'VISIT THE SCOTTISH NEW TOWNS IN LONDON.' and provides details about over 1300 companies, financial incentives, and contact information for John Morgan Travel.

FINANCIAL TIMES

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Thursday March 8 1979

EMS at last in sight

FRANCE'S DECISION to allow the new European Monetary System (EMS) to go ahead, after months of uncertainty, is to be welcomed. The French move, announced yesterday by President Giscard d'Estaing, should if nothing else, ensure a much more auspicious climate for the Paris summit meeting of the European Council next Monday and Tuesday.

Compromise

Anxiety that the political momentum behind EMS would be lost must lie behind President Giscard's decision to drop France's reservations. The French have not succeeded in securing all they wanted at technical level—a reform of the complicated system of taxes and subsidies (MCAs) designed to offset the impact of exchange rate fluctuations on EEC farm trade.

Intervention

If in the coming weeks the Nine can put EMS in place, albeit without the U.K., and reach a sensible agreement on farm prices, the Community will be looking in much better shape than it has for many months. There can be no certainty that EMS will work. The fact that the currencies of prospective members have stuck together since the New Year, with relatively little intervention, may be a good omen.

Bring on the Japanese

THE LATEST report of the consumer electronics working party brings out clearly the nature of the threat to employment levels in the colour TV set industry which is posed by the technological lead and cost advantages of Japanese manufacturers.

Involvement

British manufacturers are still competitive with set makers in West Germany; the advantage the Germans gain from longer production runs is offset by higher wages costs. But in the longer run, the working party is in effect saying, there is a very real possibility of the Japanese—and perhaps other countries such as Korea which are now harnessing Japanese technology and production methods—capturing substantial shares of the UK and other West European TV set markets.

Over-optimistic

But Ministers should be wary of becoming too committed to grandiose industry-wide plans used in TV sets and similar products such as visual display units. The implicit assumption is that as the Japanese share of the European market increases, they are likely to want to base more of their manufacturing operations within Europe, as they have done in the U.S., and

European chemical industry in turmoil about prices

BY SUE CAMERON, Chemicals Correspondent

THE EUROPEAN chemical industry is "now in a state of chaos" about the "astronomical" prices it is having to pay for its raw materials, according to Mr. Len Burchell, managing director of BP Chemicals.

Mr. Burchell made his blunt summing up of the present situation at a meeting of the Council of European Chemical Manufacturers' Federations in Brussels recently. He also referred specifically to naphtha—the most vital of all the petrochemical feedstocks, used in Europe—and few of his listeners can have disagreed with his comments on prices.

Mr. Maurice Hodgson, chairman of Imperial Chemical Industries, speaks of the adverse effect rising raw material costs are having on profitability in the group's annual report which is released today.



MR. LEN BURCHELL ... astronomical prices

Yet in the latter part of 1978 naphtha supplies began to differ from trends was that naphtha prices rose by approximately 30 per cent during 1978 and it was clear that they would increase further during 1979.

Spot prices are highly sensitive and they can give a misleading picture because the majority of European chemical companies buy most of their naphtha on fixed contracts rather than on the Rotterdam market.

MEN AND MATTERS

Denis puts his head down

As chairman of the International Monetary Fund's interim committee, Denis Healey has, for the past two years, by turns charmed and bullied both his ministerial colleagues and the journalists who cover the sessions. He has always spiced his performance with a great deal of banter and humour.

Mac-appeal

The deployment of Harold Macmillan's old-style charm on the Conservative's party political broadcast last night was not as more cynical media-analysts might suspect—a wheeze by Saatchi and Saatchi.

Moving music

Quite apart from the Japanese government's anxiety to plough off its trade surplus, Japanese dealers have been taking an unusually strong interest in the London art market in recent months.

Pray silence

Switzerland's "Day of Prayer" may be even quieter than usual this year. The National Council, the country's Lower House, has voted in favour of banning all cars on the annual inter-denominational event.

But much of Hoechst's business is directed away from the commodity end of the chemicals market—pharmaceuticals is one of its biggest product areas—and it is not a major buyer of naphtha. This may be one reason why the West German Federal Cartel Office has warned Hoechst against trying to introduce huge price rises in order to recover its increased feedstock costs.

Some sections of the European industry are much more concerned about the intentions of the U.S. chemical majors than about the doing of companies like Hoechst. American chemical groups are not nearly so dependent on naphtha feedstocks as those operating in Europe.

Then came the revolution in Iran and the downfall of the Shah. On Boxing Day exports of Iranian crude stopped. But the European chemical industry remained strangely unmoved.

Shell International Chemicals reckons that most of the European majors simply did not believe the Iranian oil crisis would last so long or have such an impact on them—particularly as there were still plenty of fully loaded oil tankers heading for Europe during January.

Insufficient finesse. The French group expects that the European companies will do comparatively well this year because some chemical products are already in short supply and there will be plenty of opportunity to raise prices.

But the deluge of Euro-paper on this and a multitude of other subjects is clearly telling on the nerves of Britain's would-be Euro-MPs. I hear a handful of them have approached a recently-formed organisation called European Community Investigation Services, for guidance through the thicket.

Second hearing

Heard from one waiting man to another outside a Wimbledon telephone box: "She'll be ages yet, old boy—she's just changed ears."

Leading the blind

For those who stand on the sidelines, EEC directives on slave juice (fresh and tinned) have their diverting aspects.

NAPHTHA; SOME DERIVATIVES AND END PRODUCTS

Table listing derivatives and end products of Naphtha, including Ethylene, Benzene, Toluene, Xylene, and Propylene, with their respective uses in various industries.

American-based Dow group. Dow Chemical Europe has been well and truly caught by rising feedstock costs because most of its naphtha and ethylene is supplied on contracts that are closely related to spot market prices.

Yet Japanese imports of naphtha are increasing. Some of the imported naphtha is bought on the Rotterdam spot market but some of it is purchased on one-year fixed contracts. As a result the Japanese chemical companies that rely on imported naphtha still tend to have greater protection against the peaks and troughs of the spot market than do their European counterparts.

What alarmed other chemical companies was that Dow said it would have to consider importing cheap producer from the U.S. if it failed to raise and hold its prices in Europe. This threat was particularly galling to competitors because in the past Dow Chemical Europe has not hesitated to cut prices when low spot market prices have given it favourable feedstock costs.

The Japanese are not under the same threat of cheap U.S. chemical imports but they have still been hit by the tightening of naphtha supplies. Japan itself has no spot market for naphtha and its chemical industry obtains most of its raw material supplies from Japanese oil refiners on long, fixed-term contracts.

This means that naphtha prices in Japan tend to be comparatively stable. The chemical industry there cannot take much advantage of really cheap naphtha—while the Rotterdam spot price drops but on the other hand it is not as badly affected as Europe when feedstock costs take off as they have done this year.



Graham's job is seeing people, even though he's blind!

Every working day, Graham Salmon commutes from Essex to the City of London. Then he walks to his work at a famous Building Society's Branch Office to start the day's interviewing—he's the first person people meet when they want a mortgage.

Graham, who is 25, has been totally blind since he was 2. He's good at his job because he's a very capable man—and because he's well trained. He went to RNIB schools and his Commercial Training College, before gaining further on-the-job training and experience. As Graham himself says, I never let anything beat me.

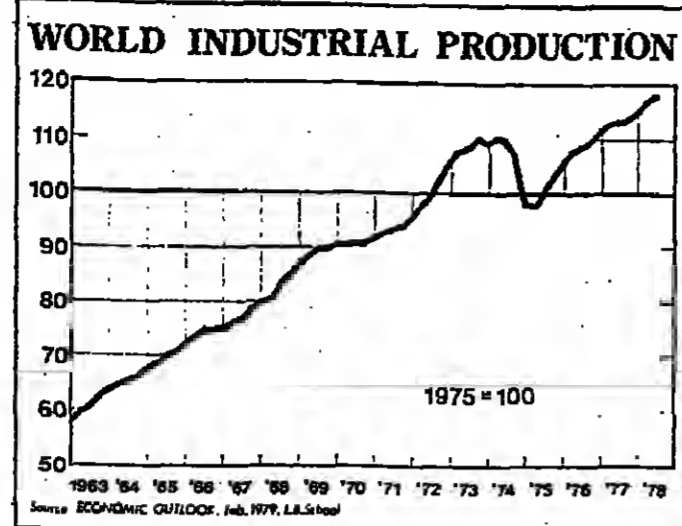
If you're an employer, you could benefit by recruiting blind persons trained by the RNIB. Even if not, you can still help. The RNIB needs your support through legacies and donations to maintain its many services to blind people, including training others like Graham.

ROYAL NATIONAL INSTITUTE FOR THE BLIND. 234 GREAT PORTLAND STREET, LONDON W1A 6AA. Under the Finance Act 1975, registered as a charity with a total of £1,000,000 in assets. Registered with the Registrar of Companies under the Companies Act 1967 (No. 23827).

Observer



# Hopes, risks and a bit of theology



THE OUTPUT of the 24 countries that make up the OECD rose by well over 80 per cent in the decade up to 1973. In the following five years it rose by not quite 13 per cent. In other words during the most recent economic cycle the amount of growth, allowing for the time scale, was only one-fifth of that achieved earlier.

In some individual countries, such as the UK, there was hardly any growth at all. In all countries the retardation of growth of output per head was rather than that of total GDP. This was clearly a serious setback, even though measured output is not the same as human happiness.

The slowdown in growth has been associated with an increase in recorded unemployment and unused capacity. In the case of Germany and Japan much of the retardation of growth has been attributed by OECD to these forces, which it labels cyclical. In the case of the US and the UK far more of the slowdown is attributed to a change in underlying productivity growth.

Whether the greater apparent margin of slack was the result of policy aberration or a necessary adjustment has been vigorously debated. In any case, the amount of slack has been made. The amount of slack in the industrial countries may now be on a lower level than it was in 1973. At least the transition from the trend to the next should have been completed.

Output in the next few years might therefore rise a demand faster than in the exceptional and unfortunate 1973-78 period. What can we expect in the future? A little thing called oil. The carrying feature here is not only OPEC cartel decisions, but

also where a free market price might go.

OPEC production in 1978 amounted to nearly 30m barrels per day. Any increase in demand this year would have been met from other sources. Last year's output was about 7m less than "sustainable capacity," according to a study from Greenwell, the London stockbrokers by Mr. Peter Lilley. "Sustainable capacity" is a term of art meaning the maximum output which experience suggests, could be produced for several months at a stretch. In fact, production ceilings maintained by Abu Dhabi, Kuwait, Saudi Arabia and Venezuela reduce this theoretical ceiling by over 5m barrels per day, and the absence of Iranian exports by a further 6m. There is thus a demand-supply gap of about 3m barrels per day.

If Iran resumes exports at the rate of 3m barrels per day, as many assume, there will once more be a surplus of demand over available capacity, but a very bare one. But what happens if Iran does not resume

demand for oil respond to incentives. It is crazy beyond belief that so many supposedly free enterprise countries, among which the worst offender is the U.S., are holding their domestic oil prices so far below world levels. This is a part of the cost for a counter-inflation philosophy that concentrates on the control of specific wages and prices, and neglects the role of variations of relative prices in allocating resources and providing incentives at a difficult juncture.

## BUDGET THEOLOGY

IT IS ONLY fair to warn readers that this section of Economic Viewpoint leads up to a discussion of an unsolved theoretical problem, although it starts off with some straightforward points on the forthcoming British Budget. To some extent the shape of the Budget is already determined by the Chancellor's of-foreshadowing to put a limit of £5.5bn on the Public Sector Borrowing Requirement. But that still gives him a certain room for manoeuvre.

To begin with, ministers and top officials who disbelieve the PSBR forecasts always have some slight scope for asking for them to be redone on different economic assumptions. On this occasion the effect of cash limits on government spending is a large new unknown. The Chief Secretary, Mr. Joel Barnett, has said that expenditure limits will be less than fully adjusted to rising wages and prices. Forecasters can be more or less optimistic about how much to allow for in back-door public spending cuts by this route.

In addition, Mr. Healey can budget for the full £5.5bn after policy changes; or he can go for say £5bn, or slightly less, to

give himself a safety margin. Taking everything together, the Treasury has a discretionary margin of at least £2bn to play with in deciding how much extra revenue to raise on Budget Day (April 3). As might be expected the usual arguments between the "doves" and the "hawks" have broken out inside Whitehall.

The arguments of the doves will be obvious enough. Showing a slowing down of the growth rate and a renewed upward creep in unemployment. Moreover the commitment to a tough budgetary stand was made when the Government had difficulty in financing its borrowing.

The replies of the hawks take many forms. They can point to the abysmal record of fine-tuning and the arguments for a steady and gradual decline of public sector borrowing. They can argue the view that output is held up by a demand rather than a supply constraint. Moreover, despite recent gilt sales, a high PSBR can still raise doubts about achieving the monetary targets. There is now a good deal of evidence that increases of the inflation rate boost personal savings and can thus have a deleterious effect on real spending and employment—the opposite of what the doves wish to see.

But the theoretical point I want to raise concerns a rather different argument against a high British borrowing requirement, when this is seen in an international context. The argument is not primarily concerned with inflation, but has everything to do with "deindustrialisation" and the way in which North Sea oil has been used to finance consumer spending rather than industrial investment.

Let us start from the platitude

that the balance of payments must balance. If there is no official intervention, the balance can be divided into three parts: the current account (popularly but wrongly known as the balance of payments), the long term capital account and short term capital movements (including those of a speculative kind). The sum of these three components is zero.

The normal assumption is that the current account is given by God or by government policy. Capital flows short or long have to bridge the gap.

My suggestion is that one should look at matters the other way round. In other words the balance of long term capital movements is the driving force and the current account the residual. If domestic investment exceeds a country's savings, then there is a capital inflow from overseas, giving a capital account surplus. The exchange rate then rises, reverts to cost levels, and an offsetting current deficit is generated. Conversely, if domestic investment falls short of savings, there is a capital outflow, the exchange rate falls, and a current surplus is generated.

## Small part

What has all this to do with the British budget? The usual assumption is that if the Chancellor borrows more, but sticks to his monetary targets, then domestic interest rates will rise. This is not so credible an assumption if one looks at the world capital market, where the demands of the British Chancellor are a very small part of total borrowing. If the UK Treasury increases its borrowings, any deficiency in domestic savings can be made up by attracting inflows from abroad with only a minuscule rise in interest rates. Is this then not an argument

for the doves? Decidedly not. For an inflow of funds will, for the reasons just mentioned, raise the exchange rate relative to cost levels, push the current account towards deficit and thus make exports and domestic investment less profitable. The qualification "relative to domestic costs" is important. For the argument basically concerns the real economy, not inflation rates.

The idea that a lower PSBR will depress the real sterling exchange rate and a high one will boost it may seem "counter-intuitive." This is because past periods of high public sector borrowing have been associated with grave doubts about the future course of monetary policy and the inflation rate. Thus announcements of a high PSBR have led overseas investors to be dissatisfied with existing rate of return on sterling assets and to withdraw their funds until nominal interest rates were raised to crisis levels. These confidence effects then swamped everything else.

Entirely different considerations apply in condition of monetary stability once variations in the PSBR are no longer expected to affect the money supply or the long-term inflation rate.

The underlying argument is seen if one thinks of an upsurge of UK corporate demand for finance of which incidentally there are now many signs. This tends to attract funds to London and to raise the real sterling exchange rate. A drop of corporate demand would on the other hand attract fewer overseas funds and therefore mean a lower real exchange rate. A low PSBR would work exactly the same way.

The above argument makes no allowance for interest rate policy on the grounds that it is not, except in a temporary sense, under Government control. There is, of course, no

single "world" interest rate; but there is a world pattern in which different national rates are related by expectations about inflation and about exchange rate movements and also separated by things such as exchange control.

## Offsetting

But whatever the effect on the exchange rate, will not a low PSBR—whether achieved by economies in public expenditure or higher taxes—mean less domestic spending and therefore recession? The normal monetarist answer is that lower interest rates and less borrowing from the public will offset any adverse effects on real spending. But in a more international context, it may not be so much interest rates as the real exchange rate which will be lower with a small PSBR, and the offsetting boost will come from larger net exports and better profit margins.

It would be better if one could draw on some rigorous professional discussion of these abstract matters. I tried in vain to stimulate such a discussion last time sterling was rising to 1977 (How Budget Deficits Matter, October 8, and The Effects of Budget Deficits, November 7). But nowadays professional economists seem to follow rather than lead newspaper discussion.

In practical terms, I am not calling for a balanced budget or a draconian change in fiscal policy. The point is that if the Chancellor sticks to his £5.5bn limit or slightly less, he will not thereby be "cluttering the economy," but merely clobbering a very out-dated conventional wisdom—a very different matter.

Samuel Brittan

### DERIVATIVES PRODUCTS

- Plastic goods
- Acrylates
- Fibres
- Pharmaceuticals
- Detergents
- Pesticides
- Solvents
- Polyurethanes for paints
- Solvents
- Paints
- Pesticides
- Plastic goods
- Fibres
- Polyurethanes for Brake fluid

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## Finance for industry

From Mr. M. Gould.

Sir—Before the appearance of the article by Michael Lafferty (March 2), entitled "Leasing growth" crisis warning," one could have been forgiven for believing that the obvious claims of fringe motor lessors and the rash of correspondence on the why's and wherefores of the tax influence faded into obscurity. Certainly vehicle leasing continues to be a popular method of fleet financing but surely there can no longer be any doubt in any one's mind as to the Revenue's attitude to possible benefits attracted from doubtful arrangements foolishly entered into to obtain the use of "otic," or for that matter any other sort of car. The result is likely to be a further tightening of the rules on the use of finance industry policed itself for the most part swept away the earlier unsavory aspects of its vehicle leasing side. Naturally, there will also be the rogues and the rogues' agents but as to the latter "cheat" must apply.

Michael Lafferty and his unnamed bank are absolutely right in reporting the growing use of finance in leasing in a country in the last two or three years. As indicated most of the growth has been fuelled by subsidiaries or associates of our banking sector anxious to take advantage of the tax allowances available. What appears to be the cost of the current competition is that others with available funds not necessarily involved in the banking business are also seeking to shelter their liabilities. Most of these have been directed by their professional advisors to utilise the services of one of the several leasing and hire companies that offer leasing management expertise every bit as competent as knowledgeable as that available within the banks themselves. Indeed, certain leasing managers are associates of the country's leading banks and finance houses.

What may be overlooked is the social and economic benefit of bringing together of money and equipment has produced. It is not philanthropy that encourages the profitable individual tax payers or the companies into becoming lessors. We must remember, that funds that might otherwise be locked away in only deposit accounts or vested directly in stocks and shares are being channelled through the lessors of plant and equipment into industry. In particular it is very noticeable how much influence leasing is having in the rapid introduction of computer equipment and computerised systems. Equipment which may never have been capable of being acquired by a manufacturer would otherwise rely solely on his own financing or that of his bank, is now available to the industrialist through the agency of leasing.

Is this matching of supply and demand for finance that accounts for the growth in leasing. Clearly we would not have seen development of leasing to the present level had it not been for the needs of businesses in this field.

While the particular situation relevant to the tax position on

## Letters to the Editor

leasing higher priced motor cars has undoubtedly influenced the growth of this particular sector it must be remembered that the first year allowance system is available to both the manufacturer who buys his equipment outright and the lessor who rents a similar item. The lessor is thus only obtaining the same allowance that could have been obtained by his manufacturing lessee had the latter wished to finance the equipment from his own resources.

By all means let the Revenue tighten the rules on the leasing of motor cars. Just a clearing away of anomalies would be welcomed by most but please do not encourage the authorities to change the very system that is helping industry to modernise.

M. P. Gould,  
Johnston House,  
8 Johnson Road,  
Woodford Green,  
Essex

## Leasing growth

From Mr. A. Barnes.

Sir—In his article "Leasing growth" crisis warning" (March 2), your Banking Correspondent refers to the warning given by one of the clearing banks to the Bank of England, of a new secondary banking-type crisis. The warning stems from a car leasing tax anomaly and the recent growth in leasing of the non-financial company lessor.

Where car leasing is concerned, the Inland Revenue, in its Press release of July 28, 1978, set out details of the taxation provisions that exist to deal with what are termed "Variations from the traditional provisions of car leasing." In acting so promptly, the Inland Revenue indicated that it was aware of fringe leasing schemes and was equipped to deal with any anomalies that might arise.

Perhaps the real anomaly of car leasing in the UK is that banks, and their finance house subsidiaries, have become so involved. In those markets where car leasing is more established and sophisticated, it is essentially a service-based industry and its main expansion has been through the development of specialist car lessors.

In respect of the growth of the non-financial lessor, some of whom are now well established, it is unlikely to lead to a "collapse." These lessors have proved their success in the commercial world and have competent staff and outside financial advisers who, between them, have fully evaluated the financial and other risks, as well as the tax implications of an involvement in leasing. Undoubtedly, recent Press reports that various banking lessors have not made a full provision for deferred tax, will have caused some puzzlement, but most, if not all, of the new lessor companies will adopt the recommendations of the Equipment Leasing Association and make a full provision for deferred tax.

Emergence of new responsible lessors should be welcomed, especially at a time when the industry requires an increase in the industrial investment. The newcomers will give a strong marketing thrust to UK leasing and will, perhaps, help the industry to achieve a com-

## Conservation

If this is a deliberate margin maintained for cartel purposes, then the Saudi Arabians are in a position to limit, if they wish, the rise of the oil price in 1979 to the 10 to 25 per cent range widely assumed. But if there is also a conservation or technical element behind Saudi Arabian curbs, the "upside risk" is much greater. Clearly things have to go only slightly awry for there to be large market-induced price rises, or severe physical shortages, or both.

None of these constraints are permanent physical necessities. Both installed capacity and

## Advertising on the BBC

From Mr. J. Bescoy.

Sir—I have long wondered why the BBC did not accept the logic of selling advertising time and Mr. Mahoney (February 28) has stimulated my thoughts on the matter.

Of course the BBC establishment will protest (supported by those politicians to whom all things commercial are anathema) that selling advertising time equals a lowering of standards. I do not believe, however, that the equation is valid. The BBC (unlike the programme companies operating within the IBA) could be allowed to make its own decisions about the quantity of time it would sell (perhaps constrained by a legal maximum), about the frequency and arrangements of advertisements and, above all, about content. In this way the BBC would be entirely responsible for maintaining its own standards.

Such a move provides a way out of the corporation's perennial financial difficulties and would also enable it to pay competitive salaries.

J. H. Bescoy,  
(Senior Lecturer in Industrial Relations),  
The University of Newcastle-upon-Tyne,  
Stephenson Building,  
Clarendon Road,  
Newcastle-upon-Tyne.

## Electrifying the rails

From the Secretary, British Transport Officers' Guild.

Sir—The report (February 27) of the views of the British Rail Federation of the options for further electrification of British Rail's network makes rather depressing reading for anyone who wants to see a more strategic approach to transport investment.

It is clear that some fundamental changes will be required in the total transport system of the country in the foreseeable future, because the supply of oil is finite and nobody is sure of the future pricing policies of the Organisation of Petroleum Exporting Countries. The fact that serious consideration is being given to proposals by British Rail that would have a significant impact on the country's demand for oil should surely be welcomed.

There is no doubt that any spending on further electrification will be subject to serious Government scrutiny and many of the principles laid down by the Leitch Committee, e.g. cost benefit considerations for road/rail investment will be followed. We cannot accept British Rail Federation's inference that such studies will not be carried out.

The essential point however, in this exercise is that there is at least the opportunity to integrate and develop British Rail's rather piecemeal electrified system, and in so doing establish a more efficient railway and a sound strategy for the first time for many years.

In the Guild's view, therefore, railway electrification is not just a very large project, but the start of rethinking the nation's total transport policy, a review which is long overdue.

J. C. Rogers,  
Room 307,  
West Side Offices,  
King's Cross Station, Nt

## Creditors and capital

From Mr. J. Dover.

Sir—It appears that trade creditors wish protection from banks which take security for advances to customers for working capital and thus rank ahead of suppliers in bankruptcies and liquidations.

Why do suppliers compete vigorously to grant unsecured credit? Why do banks need security?

Trade credit of £100,000 engenders turnover of over £800,000 if a normal six weeks credit is taken. Assuming a gross profit of say 33 per cent and direct costs of obtaining the turnover of say 18 per cent, a supplier retains marginal profit of 15 per cent i.e. £125,000. Marginal profit of only 10 per cent will leave £80,000. At current interest rates a bank makes £10,000-£14,000 on an overdraft fluctuating up to £100,000.

Thus it can be seen that a supplier makes up to 130 per cent (and perhaps more) per annum on the capital risked in the hands of its customer as compared to a bank's 10 per cent-14 per cent. The bank has little margin for loss of capital, surely.

John H. Dover,  
9 Greenhill Avenue, Giffnock,  
Glasgow.

## Religious beliefs

From Mr. D. O'Brien.

Sir—Justinian (February 28) asks how many of your readers would regard blasphemy as an offence against the tranquillity of the Kingdom and I for one must answer that I do so regard it.

Is Justinian so out of touch that he cannot appreciate, as Lord Scarman can, the desire of so many people in this country to have their religious beliefs and feelings protected from "scurrility, vilification, ridicule, and contempt."

In contrast to Justinian's conclusions, I agree profoundly with Lord Scarman's conclusions that "it would be intolerable if by allowing an author or publisher to plead the excellence of his motives and the right of free speech he could evade the penalties of the law even though his words were blasphemous in the sense of constituting an outrage upon the religious feelings of his fellow-citizens."

It is not enough for any man in any area of society subjectively to plead free speech and excellent motives in defiance of the law. We have seen where this can lead. The rule of law exists for the whole Kingdom and society is not assisted by pretending, as Justinian suggests, that "abolition of the crime" removes the offence.

D. O'Brien,  
Nob Cottage, Shrigley Road,  
Port Shrigley, Macclesfield,  
Cheshire.

## Today's Events

- GENERAL
- UK: National Union of Mine-workers' executive meets to discuss pay offer and whether it should be put to ballot.
  - Power workers: In pay talks with Electricity Council.
  - British Steel Corporation meets TUC steel committee on Bilston closure.
  - National Consumer Council statement on shop opening hours and Sunday trading.
  - Overseas: President Carter arrives in Cairo for talks with President Sadat of Egypt.
- OFFICIAL STATISTICS
- Provisional figures of vehicle production for February. Fourth quarter construction output.
  - January housing starts and completions.
  - Survey of short-term export prospects (to third quarter, 1979).
- PARLIAMENTARY BUSINESS
- House of Commons: Supply day: The question will be put on all outstanding estimates and votes. Debate on Employment Protection Act.
  - House of Lords: Social Security Bill, third reading.
  - Committee stage: Vaccines.
  - Damage Payments Bill, second reading.
  - European Assembly Elections regulations. House of Commons (Redistribution of Seats) Bill, report stage.
  - Northern Ireland Orders.
  - Select Committee: Nationalised Industries, Sub-Committee D. Subject: Consumers and Nationalised Industries. Witnesses: Electricity Council, National Water Council. Room 8, 4 pm.
- COMPANY RESULTS
- Final dividends: Corah, Derek Crouch, Davies and Metcalfe, Fife, Forge Company, Goode, Tinsley and Murray Group, Harris and Sheldon Group, Lex Service Group, Midland Bank, Needlers, New Equipment, Royal Dutch Petroleum Company, W. N. Sharpe, Shell Transport and Trading Company, Teasdale, Tuttle, and Galt, dividends: Galliford Bridley, Hunt and Moscrop (Middleton), Staffordshire Potteries (Holdings), Strong and Fisher (Holdings), United City Merchants. Interim figures: Plessey Company.
- COMPANY MEETINGS
- Charter Trust and Agency, 20 Fenchurch Street, EC. 2.30. T. Cowie, Milfield House, Hyllon Road, Sunderland, 12. Finlay Holdings, Fisso Way, Thetford, Norfolk, 11.15. Grand Metropolitan, The Lyceum, Wellington Street, WC. 11.30. Lorho, Grosvenor House, Park Lane, W. 12. Tate and Lyle, Europa Hotel, Duke Street, Grosvenor Square, W. 11.30. Watson and Philip, Angus Hotel Marketgate, Dundee, 12.

### Job is people, even's blind

NATIONAL TUTE E BLIND

## Office and factory accommodation in an ideal location.

Livingston is one of Scotland's major growth areas, with a population in this town in excess of 35,000. Accommodation of all shapes and sizes is available to meet the needs of industrial and commercial organisations wishing to expand or relocate their operations.

Livingston, astride the M8 Edinburgh/Glasgow motorway, has excellent connections with the Scottish and English road network. Other first-class transport facilities include Edinburgh Airport—10 minutes away by road—rail heads at Edinburgh and Glasgow, and container ports, half an hour away by road, at Grangemouth and Leith.

Livingston offers high amenity locations for industrial and office accommodation,

Already 150,000 sq. ft. of office space, including the Development Corporation's prestige blocks of Pentland House and Peel House, have been taken up. New developments are planned to provide wider opportunities for commercial expansion and office jobs.

Livingston has more than 120 manufacturing companies which have come from many parts of the United Kingdom and from overseas. Twenty of them decided to make the move in the past 12 months. Advance factories from 5,000 sq. ft. up to 40,000 sq. ft. are available as well as fully serviced sites for purpose-built developments.

Incoming companies enjoy maximum assistance and a wide choice of housing for staff and employees.

and the opportunity to join other successful enterprises which make it in Livingston at the heart of Central Scotland.

## MAKE IT IN LIVINGSTON

Ask your secretary to send this coupon to James Pollock, Industrial Development and Estates Manager, Livingston Development Corporation, Livingston, West Lothian, Scotland. Telephone: Livingston (0589) 3177 or 01-930 2631.

I am interested in office/factory\* accommodation in Livingston.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\*Delete that which is inapplicable.





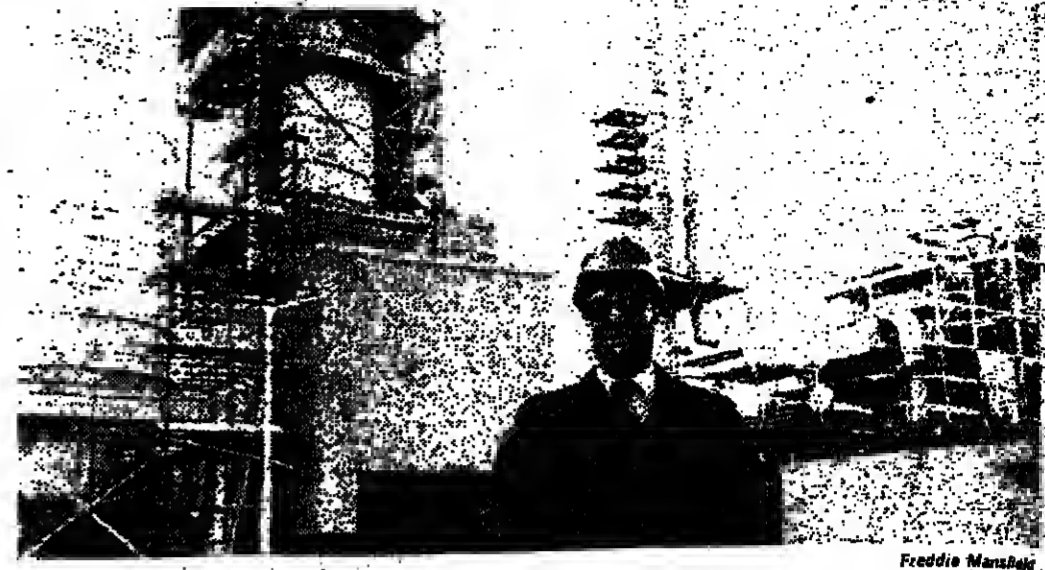


Companies and Markets

UK COMPANY NEWS

ICI sees £157m cash outflow in year of record capital spending

TOTAL CAPITAL expenditure sanctioned by Imperial Chemical Industries but unspent totalled £107.7m at the end of 1978, compared with £95.6m in 1977. During the year group expenditure rose to £157m while the amount sanctioned amounted to £188m (£204m).



Mr. Maurice Hodgson, chairman of ICI, photographed at the company's Agricultural division's protein plant, presently under construction at Billingham, Cleveland.

A statement of source and application of funds shows that at December 31, 1978 net liquid resources decreased by £157m, compared with an £53m increase the previous year. This comprises a fall in liquid resources of £108m and an increase in short-term borrowings of £49m to £208m. Total funds applied during the year amounted to £188m compared with £175m in 1977.

Referring to the capital programme the directors state that with worthwhile investment opportunities and satisfactory liquidity, the group maintained its sanctioning of expenditure on fixed assets at an amount approaching the record of 1977. As a result of high sanctioning in recent years, expenditure rose by more than 40 per cent.

A geographical analysis of expenditure in 1978 shows: UK (£300m); Continental Western Europe £57m (£52m); Americas £77m (£52m); other countries £10m (£37m). Expenditure sanctioned during the year was split as to UK £480m (£494m); Continental Western Europe £131m (£165m); Americas £92m (£76m); other countries £99m (£106m).

The directors point out that modernisation and improvement of plants in the UK continued to be an important feature of the group's investment policy. A substantial part of the investment programme was directed again towards increasing the strength of ICI's position in the major chemical markets of the world.

accounts Mr. Maurice Hodgson, the chairman, points out that the group has recently been investing more than its competitors but that continuation depends on adequate profitability, and the price weakness of 1978 was a worrying factor.

Despite low growth and over-capacity in the chemical industry, the chairman feels that it is vital to pass on in higher product prices the massive increases in naphtha costs and with any further rises in petroleum raw material costs resulting from the latest OPEC decisions and the Middle East situation.

Referring to current cost accounts, which indicate significantly lower profits and return on assets, the directors state that they believe that these represent a realistic measure of performance.

Group trading profit in 1978 amounted to £504m (£521m excluding ICI) while on a CCA basis it is £233m (£292m). In the first half the trading profit improved on the low level of the second half of 1977 but

the recovery was not sustained in the second half of 1978. The benefits of improved volume were more than offset by rising costs which could not be matched by higher selling prices.

Group profit before tax and grants was £421m (£483m) while on a CCA basis it was £166m (£216m). Profit before tax and grants represented a return on average assets employed of 13.5 per cent (15.9 per cent—the return on a CCA basis were 4.3 per cent (5.6 per cent)).

A divisional analysis of trading profit shows: agriculture £150m (£139m); chemical £166m (£168m); pharmaceuticals £22m (£22m); industrial explosives £22m (£22m); metals and engineering products £11m (£11m); organic chemicals £21m (£21m); paint and decorative products £24m (£13m); petrochemicals £38m (£44m); pharmaceuticals £28m (£45m); plastics £29m (£50m); and miscellaneous £2m (£5m) loss. Royalty income amounted to £25m (£22m).

The directors state that in the UK, agriculture sales were at a slow rate in the early months of the year, because of price increases and a late spring, but they recovered well despite increasing competition. Overseas sales volumes were high. Profits were maintained, except in Canada where rapidly rising natural gas costs could not be fully recovered in the selling prices of ammonia and fertilisers.

In most countries trading in 1978 showed improvement. Operations were well short of full recovery and did not allow prices to reach realistic levels. In the final quarter of the year the business operated at around break-even level, although the full impact of raw material cost increases has yet to be experienced.

Starting from a low level, sales of general chemicals increased, particularly in Western Europe. Prices remain depressed, reflecting the world overcapacity for most products.

Sedgwick Forbes profit expands to £25m

THE GIANT Insurance broking group Sedgwick Forbes Bland Payne has announced the results of the Sedgwick Forbes part of the operation. Reported pre-tax profits for the year ended December 31, 1978, rose from £23.19m to £25.04m.

The results were released with the accounts, but do not reflect the recent merger between the Sedgwick Forbes and Bland Payne Groups.

Earnings per share are shown to have increased from 31.2p to 37.3p. A second interim dividend has already been announced of 6.7p net, making 10.7p net. This will be paid to shareholders on the register on February 9, 1979.

Following the merger and capitalisation share issues of February 12 and 13, 1979, the new board expects to pay dividends of 5p net per share for 1979, compared with an equivalent 2.675p for 1978.

The chairman of the new combined group, Mr. Neil Mills, formerly chairman of Bland Payne, tells shareholders in his first statement that the proposed formal link that the group was seeking to establish with Alexander and Alexander, a major U.S. insurance broker, will not be completed for several months.

He said: "Discussions are proceeding with Alexander and Alexander with a view to achieving a formal link but, as previously stated, any proposals will be first submitted to shareholders. It is unlikely, however, that any such proposal will be made for several months."

He added: "I would like to emphasise again that it is the agreed policy of the directors of the two groups not to achieve an exclusive arrangement, particularly regarding the correspondent relationship between Alexander and Alexander and other London insurance brokers and between Sedgwick Forbes and Bland Payne."

On the trading front, the group breaks down turnover of the old Sedgwick Forbes company of £65.34m for class of insurance business, Marine and aviation accounted for £15.19m; reinsurance, £24.61m; life and employee benefits, £5.44m; reinsurance, £8.58m; and underwriting fees and commission, £1.09m.

The directors said growth in Sedgwick Forbes' taxable profits during 1978 had been affected by currency fluctuations. Had sterling not appreciated relative to the class of currencies in which the majority of Sedgwick's foreign brokerage is booked, the brokerage "might have been approximately £2.5m higher."

But the expense ratio was held at 62 per cent for the second year running. Sedgwick Forbes changed the status of its South African company on January 1, 1978. It was formerly a 70 per cent owned subsidiary but has now become an associated company, with Sedgwick holding 40 per cent.

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The directors warn that probable continuation into 1979 of low premium levels in the marine market is likely to lead to a slow down in growth.

But throughout most of the markets, Sedgwick Forbes has reported that conditions are very competitive, although the group has managed to improve profitability.

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Notice of Redemption International Standard Standard Electric Corporation

9% Sinking Fund Debentures due 1985 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 1, 1970 between International Standard Electric Corporation and The Chase Manhattan Bank (National Association), as Trustee, \$4,500,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for sinking on April 1, 1979 at the redemption price of 100% of the principal amount thereof, together with accrued interest to April 1, 1979.

The numbers of the Debentures to be redeemed are as follows:

Table with 2 columns: Debenture Number and Amount. Lists numbers from 24 to 1825 and corresponding amounts.

On April 1, 1979, there will become due and payable on the Debentures to be redeemed the principal amount thereof together with accrued interest to April 1, 1979. On and after April 1, 1979 interest on the Debentures to be redeemed shall cease to accrue.

Payment of Debentures to be redeemed will be made on or after April 1, 1979 upon presentation and surrender of said Debentures, with all coupons appertaining thereto maturing after April 1, 1979 at any one of the following banks:

- The Chase Manhattan Bank, National Association (Corporate Trust Department) 1 New York Plaza, 14th Floor New York, New York 10015
The Chase Manhattan Bank, National Association (Corporate Trust Department) Coleman Street London EC 2, England
The Chase Manhattan Bank, National Association (Corporate Trust Department) 1 Rue Cambon Paris, France
The Chase Manhattan Bank, National Association (Corporate Trust Department) 53 Boulevard Royal Luxembourg, Luxembourg
Banca Commerciale Italiana Piazza della Scala 6 Milan, Italy
Societe Generale de Banque S.A. Brussels, Belgium

INTERNATIONAL STANDARD ELECTRIC CORPORATION Dated: March 1, 1979

THE FAMILY INVESTMENT TRUST, LIMITED

"A smaller company Investment Trust" Managers - KLEINWORT, BENSON LIMITED

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31st JANUARY 1979

- Net Earnings per share rose by 20.7 per cent.
Total Dividend for the year is increased by 19.5 per cent.
Net Asset Value per share rose by 18.1 per cent.
The FT - Actuaries All-Share Index rose by 9.6 per cent.

Laurence Gould in line with forecasts

IN 1978, Laurence Gould and Co. agriculture and agroindustries consultant, has met the profit and dividend forecast which appeared in the placing prospectus last June.

Pre-tax profits were £134,000, compared with £125,000 forecast and £97,000 achieved in 1977. The final dividend is 0.8375p, as predicted in the prospectus.

The directors say results to date in the current year continue to show profit will be achieved, both in 1979 and with approximately 51 per cent of fee income secured.

For the year as a whole, they add, the indications are that further increases in fee income and profit will be achieved, both in the UK and overseas. However, they say it would be unreasonable to anticipate percentage increases as much as those stated in 1978.

During the year the company provided services to 350 farms in the UK comprising 338,000 acres, and in addition international business has been expanded—it now accounts for 87 per cent of total income, the directors add.

provided services to 350 farms in the UK comprising 338,000 acres, and in addition international business has been expanded—it now accounts for 87 per cent of total income, the directors add.

Total fee income rose 87 per cent from £73,000 to £134,000—an income breakdown (in £000) shows UK contributed £429 (2377) and international £880 (£4041).

After a tax credit of £1,000 (£15,000 debit), stated earnings are shown to have risen from 69p to 166p.

The addition to shareholders' funds of £284,000 (£86,000) includes revaluation of properties, showing a surplus of £96,000 over book value, and net cash receipts from the share issue amounting to £61,000.

Mr. Laurence Gould, chairman and chief executive, and his family have waived their dividend entitlement and this is reflected in £7,000 payment.

Table with 2 columns: 1979 and 1978. Rows: GROSS REVENUE, EARNINGS (net) per 25p share, DIVIDEND (net) per 25p share, TOTAL ASSETS, NET ASSET VALUE per 25p share.

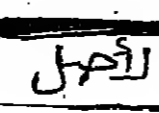
The full Report and Accounts will be posted to Shareholders on Monday 9th April 1979. Annual General Meeting - 20 Fenchurch Street, London EC3 Wednesday, 2nd May 1979 at 2.30 p.m.

River and Mercantile Trust Limited

Salient points from Report and Accounts to 31st December, 1978

Table with 2 columns: 1978 and 1977. Rows: Gross Revenue, Earned per Share (net), Dividend per Share (net), Valuation of Investments, Net Asset Value.

The Company's progressive dividend policy has been maintained. Continued growth of income is anticipated, although not necessarily on the scale experienced last year. Copies of the Report may be obtained from: Rivermory Management Services Ltd., 44 Lombury Square, London, WC2A 2RA.



Companies and Markets

UK COMPANY NEWS

Witter expects good year despite haulage strike

AFTER A good start to the current year Thomas Witter & Co. the floor and wall covering manufacturer, was hit by the haulage strike, says Mr. Bowser, chairman, in his annual report.

The felt mill at Heapey was used for the duration of the strike, and other factories for shorter periods.

Mr. Bowser says that there is a serious loss of production which cannot be made good. However, he looks forward to a better year.

He adds that the returns from the subsidiaries are still satisfactory. Last year the trading profits of UK companies totalled £1.76m, and that of overseas operations £39,000.

Every effort is being made to ensure improvements, says Mr. Bowser. Production in Australia is ceased and, as announced at all-way, the assets of the Australian subsidiary are to be disposed of, but the company will still promote the group's products in that country.

Because of this disposal, Lamundi World Corporation (SA) has disposed of its shareholding in the group, and its business has resigned from the Board.

As previously reported in the year to November 30, 1978, the company raised taxable profits of £678,387 to a record £1,871m, a 23.5% increase.

Mr. Bowser says the record profits and sales were due to higher productivity and new development in manufacturing.

All products returned increased profits, and the group is continuing to look for new outlets at home and abroad.

BOARD MEETINGS

The following companies have notified the Board of meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend proposals and are not available as to whether dividends are maxima or minima and the sub-divisions shown below are based mainly on last year's results.

**TODAY**

Intarima-Galliard Brindley, Hunt and Moscrop (Middleton), Staffordshire Pottery, Stockdale, Strong and Fisher, Unad City Merchants.

**Monday**

Church-Cole, Davies and Metcalf, Dark Crouch, Fife Fong, Goods Current and Murray, Harris and Sheldon, Lee Service, Messers, New Equipment, Royal Dutch Petroleum, W. N. Sharpe, Shell Transport and Trading, Transport Holdings, Transport Development, Unisec.

**FUTURE DATES**

Green (R.) Properties Mar. 18  
Nelson David Mar. 12  
Parker Timber Mar. 12  
Ranong, Tm Dredging Mar. 12  
Wombwell Foundry and Eng'g Mar. 28

**Friday**

British Assurance Mar. 14  
Crownright (R) Mar. 16  
Dor Mar. 12  
General Mining and Finance Mar. 13  
Hilton Footwear Mar. 14  
Lambert Howarth Mar. 14  
Leyland Paint and Wallpaper Mar. 29  
Morgan Crucible Mar. 29  
Pentos Mar. 18  
Rabison (Thomas) Mar. 14  
Slough Estates Mar. 28  
Tate of Leeds Mar. 19  
Zenith Carburetor Mar. 27

£23,000 loss for Westwood Dawes & Co.

PRE-TAX loss at Westwood Dawes and Company, structural and mechanical handling engineering concern, deepened to £20,000, against a surplus of £76,531, in the second half of 1978. Full-time deficit amounted to £23,453 compared with a profit of £114,122 and there is no dividend. For the previous year 3,441.6p net per 25p share was paid.

After a tax credit of £13,880 (£57,928 charge), the loss per share emerged at 0.76p (earnings 4.46p).

In August the directors said that investment by traditional customers in the steel and quarrying industries was at a low level and the company had been obliged to continue taking alternative work in a highly competitive market. Reporting a £3,450 loss (£37,591 profit) for the first half, they warned that they did not anticipate recovery by year-end.

BP Canada shows fall to \$65m

LOWER MARGINS on refined products, only partly offset by better returns from resource operations, cut the pre-tax income of BP Canada from \$72.2m to \$65.1m in 1978 on gross sales and services up \$105.1m at \$842.3m.

After tax of \$27.8m (\$31.9m) net income was 7.5 per cent lower at \$37.3m against \$40.3m, equivalent to a fall of 14 cents to \$1.77 per common share.

Prices for refined products, however, strengthened during the last few months of the year and this improvement has been maintained in 1979.

A quarterly dividend of 13 cents is to be paid on April 16.

Gross production of crude oil and natural gas liquids averaged 20,464 barrel a day in 1978—a decline of 7.5 per cent—reflecting the phasing out of exports. Natural gas production at 110m cubic feet a day was 11 per cent down as customers were unable to accept all the gas they had contracted to buy. Sales of refined products were 3.2 per cent up at 111,011 barrels a day.

Recovery to over £0.65m by Exchem

A TURNROUND from losses of £43,806 to pre-tax profits of £83,570 is reported by Exchem Holdings for the year ended September 30, 1978 and should be to resume its operations in March 1979 and reach full production by January this year.

External sales of this unquoted concern improved from £14.18m to £15.86m for the 1977-78 year, while attributable profits emerged at £397,331 compared with the previous year's £539,455 deficit.

After a one year absence, dividends are resumed with a 1.65p per ordinary 50p share and 0.86518p per 10p deferred share, costing £36,758.

Sales and operating profits, £520,412 (£587,514 losses) were split divisionally as follows: mining and engineering products, £13,29m (£10.45m) and £1,103,285 (£1,096,194), and fertilisers and food products, 2,571 (£3,731m) and (£1,663,705).

During the year, the group arranged with its bankers a new medium term loan, which will enable it to consolidate its borrowings and embark on a programme of expansion.

At the year-end gross fixed assets stood at £3.9m (£3.83m), investments totalled £0.28m (£0.16m) and net current assets, £1.41m (£1.1m).

A statement of source and application of funds shows a total inflow of funds at balance date of £1.16m (£0.14m outflow).

Meetings, 30 Cursitor Street, EC, March 30, 11 a.m.

12.3% rise at Cockburn Cement

Sales tonnage fell in 1978 at Cockburn Cement, the 28 per cent owned Rughy Portland Cement Company's Australian subsidiary. However, mainly because of lower interest charges, profit improved by 12.3 per cent from \$48.52m (£3.09m) to \$56.21m (£3.77m). Turnover was marginally up at \$430.07m (£16.8m) against \$428.57m (£15.52m).

Mr. Maurice Jenkins, the chairman, says that the building and construction industry in Western Australia was particularly dull during the second half but there are now signs of recovery in some sectors of the market. Accordingly, the directors are confident that 1979 will be a better year for manufacturers of building materials.

The erection of the new lime plant is on schedule and commissioning should take place in June. The new plant should lead to the company operating more economically but initially interest and depreciation charges will be offsetting factors.

The net-total dividend is maintained at 7 cents on increased capital by a 4.79p final, and costs \$A2.1m (\$A1.4m).

Tax took \$A2.7m (\$A2.6m) leaving net profit ahead from \$A2.92m to \$A3.51m. There was an extraordinary gain on sale of land last time of \$A39,000.

Updown Inv. paying 1.3p

The gross revenue of Updown Investment Company rose slightly from £151,384 to £168,356 in 1978. Net asset value per 25p share is shown ahead from 60p to 64p.

The net dividend is 1.3p, following a forecast of not less than 1.25p. In 1977, the trust paid 1.75p.

Cazenove and Company at the time of its offer (on behalf of clients) early last year said that the investment policy would be primarily concerned with the capital value of the investment portfolio, and it would therefore not be possible to maintain the dividend rate.

Expenses for the year take £10,886 (£13,381), debenture interest £15,300 (£18,000), and tax £50,218 (£44,468). There are exceptional costs this time of £20,255.

De Beers

De Beers Consolidated Mines Limited



Provisional Annual Financial Statements and Declaration of Dividend

The following are unaudited abridged versions of the consolidated financial statements for the year ended 31st December 1978, together with comparative figures for the year ended 31st December 1977, which should be read in conjunction with the subjoined notes.

Consolidated income statement		Consolidated balance sheet	
	1978	1977	
	R'000	R'000	R'000
Diamond account	956 389	734 765	Issued share capital:
Interest and dividend income	234 123	169 079	Preference shares
Other revenue	29 114	22 470	Second preference shares
Surplus on realisation of fixed assets	246	67	Deferred shares
	1 219 872	926 381	
Deduct:			Non-distributable reserves
Prospecting and research	29 385	25 854	Distributable reserves
General charges	28 661	18 879	
Interest payable	4 461	3 618	1 942 274
Amounts written off investments less surplus on realisation of investments	899	6 313	1 454 351
	63 406	54 664	Less: Excess of cost of shares in subsidiary companies over book value of net assets at dates of acquisition
Group profit before tax	1 156 466	871 717	24 824
Deduct:			1 917 450
Taxation and State's share of profits under mining leases	405 887	296 197	Outside interests in subsidiary companies
Group profit after tax	750 579	575 520	75 351
Deduct:			70 850
Outside interests in subsidiary companies	9 339	10 174	Long-term liabilities
Group profit after tax attributable to De Beers Consolidated Mines Limited	741 240	563 346	Current liabilities
Appropriations:			2 708 811
Transfers to reserves	377 452	191 858	2 066 834
Preference dividends	1 821	1 821	Fixed assets:
Deferred dividends — 65 cents per share (1977: 52.5 cents)	233 863	188 389	Claims, mining interests and property
	613 136	382 568	Plant, permanent works and buildings
	128 104	180 778	Unlisted trade investments
Earnings per equity share (see note)	205.5 cents	156 cents	225 584
			Stores and materials
			Diamond stocks
			Listed investments
			(Market value R 817 439 000 — 1977: R 612 446 000)
			Unlisted investments
			(Directors' valuation R 186 558 000 — 1977: R 130 101 000)
			Long-term loans
			Loan portion of tax
			Cash
			Other current assets
			2 708 811
			2 066 834

**Notes:**

The method of accounting for expenditure on mining assets has been changed, and capital expenditure for the purpose of maintaining an existing mining facility or capacity has been charged against the diamond account. Full details of the change in policy will be contained in the annual report.

Diamond export duty, which has hitherto been deducted from the diamond account, is now treated as part of the tax charge. To facilitate comparison the 1977 consolidated financial statements have been restated above to illustrate the position that would have obtained had these changes in policy occurred in that year.

**Directorate**

Mr. G. W. H. Rely was appointed a director of the Company on 18th December 1978, and Mr. F. M. Hodgson was appointed a director on 6th March 1979 in place of Mr. A. S. Hall who resigned from the Board on that date following his retirement from active business.

**Declaration of dividend No. 118 on the deferred shares**

Dividend No. 118 of 45 cents per share (1977: 35 cents) being the final dividend for the year ended 31st December 1978, has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 23rd March 1979, and to persons presenting coupon No. 62 detached from deferred share warrants to bearer. This dividend, together with the interim dividend of 20 cents per share declared on 22nd August 1978, makes a total of 65 cents per share for the year (1977: 52.5 cents). A notice regarding payment of dividends on coupon No. 62 detached from share warrants to bearer, will be published in the press by the London Secretaries of the Company on or about 16th March 1979.

The deferred share transfer registers and registers of members will be closed from 24th March 1979 to 6th April 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 26th April 1979.

Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 17th April 1979 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Company's transfer offices in Johannesburg or the United Kingdom on or before 23rd March 1979.

The effective rate of non-resident shareholders' tax is 15 per cent. The dividend is payable subject to conditions which can be inspected at the head office and London office of the Company and also at the Company's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the Board  
H. F. OPPENHEIMER } Directors  
A. WILSON

7th March 1979

Head Office: 36 Stockdale Street, Kimberley, South Africa.  
London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P 1AJ.  
Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107)  
Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa

Thursday March 8 1979

Flow in ending

Photographed at the plant, Presently Cleveland.

Investment

Y INVESTMENT LIMITED

PORT. SENSON

YOUNGMENT OF DE

IDED 31st JANUARY

er and tile Tr nited

9th March 1979

Head Office: 36 Stockdale Street, Kimberley, South Africa.

London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, EC1P 1AJ

Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown 2107)

Charter Consolidated Limited P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ

De Beers Industrial Corporation Limited

PROVISIONAL ANNUAL FINANCIAL STATEMENTS AND DECLARATION OF DIVIDENDS

The following are unaudited abridged versions of the consolidated financial statements for the year ended 31st December 1978, together with the comparative figures for the year ended 31st December 1977.

CONSOLIDATED INCOME STATEMENT		CONSOLIDATED BALANCE SHEET	
	1978	1977	
	R'000	R'000	R'000
Dividends, interest and sundry revenue	13 843	128	Issued share capital:
Less: General expenses	238		Preference shares
Profit before tax	14 403	13 716	Ordinary shares
Tax	247	228	
Profit after tax	14 156	13 488	Non-distributable reserves
Appropriations:			Distributable reserves
Transfer to general reserve	1 300	1 000	Current liabilities
Dividends:			
On preference shares	1 948	2 237	17 000
On ordinary shares—82.5 cents per share (1977: 75 cents)	11 344	14 592	27 500
Unappropriated profit 31st December 1977	(435)	(83)	44 500
Unappropriated profit 31st December 1978	861	1 297	18 520
Earnings per share	88.8 cents	83.9 cents	21 861
			6 365
			91 246
			89 858
			20 792
			29 099
			36 398
			119
			4 838
			91 246
			89 858

DIVIDENDS

**Dividend No. 57 on the Ordinary Shares**

Dividend No. 57 of 45 cents per share (1977: 40 cents) being the final dividend for the year ended 31st December 1978, has been declared payable to the holders of ordinary shares registered in the books of the Corporation at the close of business on 23rd March 1979. This dividend, together with the interim dividend of 37.5 cents per share declared on 22nd August 1978, makes a total of 82.5 cents per share for the year (1977: 75 cents).

**Dividend No. 70 on the 5.5 per cent preference shares**

Dividend No. 70 of 2.75 per cent, equivalent to 5.5 cents per share in respect of the six months ending 31st March 1979, has been declared payable to the holders of 5.5 per cent preference shares registered in the books of the Corporation at the close of business on 23rd March 1979.

**Dividend No. 5 on the 12.25 per cent cumulative redeemable preference shares**

Dividend No. 5 at the rate of 12.25 per cent per annum, equivalent to 1.25 cents per share in respect of the six months ending 30th April 1979, has been declared payable to the holders of cumulative redeemable preference shares registered in the books of the Corporation at the close of business on 23rd March 1979.

For the purposes of these dividends the share transfer registers and registers of members will be closed from 24th March 1979 to 6th April 1979, both days inclusive. Warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 26th April 1979. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 17th April 1979 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Corporation's transfer offices in Johannesburg or the United Kingdom on or before 23rd March 1979.

The effective rate of non-resident shareholders' tax is 15 per cent. The dividends are payable subject to conditions which can be inspected at the head office and London office of the Corporation and also at the Corporation's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the Board  
H. F. OPPENHEIMER } Directors  
A. WILSON

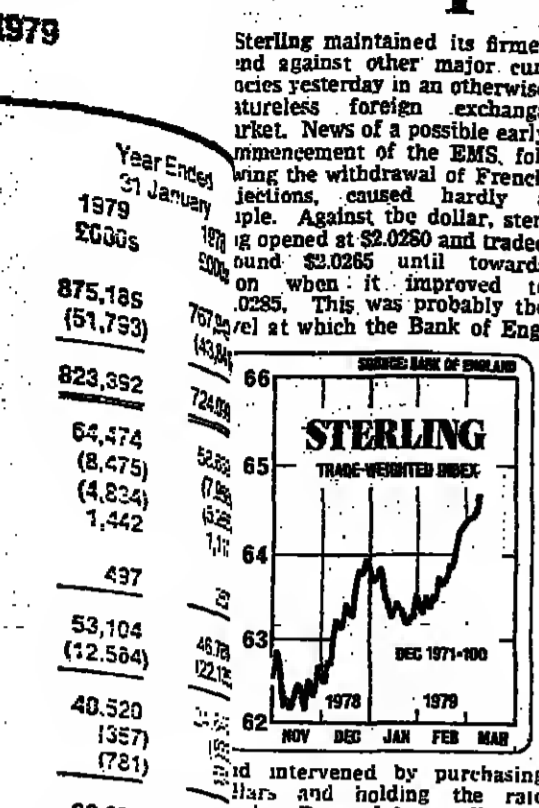
Head Office: 36 Stockdale Street, Kimberley, South Africa.  
London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, EC1P 1AJ  
Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown 2107)  
Charter Consolidated Limited P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ



مكاتبنا للأعمال

CURRENCIES, MONEY and GOLD

PORT Pound continues to improve



Sterling maintained its firmer... against other major currencies yesterday in an otherwise... The pound finished at 64.475... Sterling improved against most currencies...

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists rates for various countries like U.S., Canada, Belgium, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists rates for various countries like UK, Ireland, Canada, etc.

CURRENCY RATES CURRENCY MOVEMENTS

Table with columns: Currency, Bank of England, Morgan Guaranty, etc. Shows exchange rates and movements for Sterling, U.S. dollar, etc.

OTHER MARKETS

Table with columns: Mar. 7, £, \$, Nola Rates. Lists market data for Argentina, Australia, Brazil, etc.

er last year has resulted... fore tax. The turnover... r deferred tax arising... ly influenced by an in...

FRANKFURT — The dollar was fixed at DM1.8580 yesterday... PARIS — There was little reaction in most centres to the decision by France to withdraw...

EXCHANGE CROSS RATES

Table with columns: Mar. 7, Pound Sterling, U.S. Dollar, Deutsche Mark, etc. Shows cross rates between various currencies.

COGLAZE

INTERNATIONAL MONEY MARKET

Belgian money rates cut

Credit conditions eased further in Brussels yesterday... The National Bank announced a reduction in the Lombard rate...

INTERNATIONAL MONEY MARKET

Gold Firmer trend

Trading in the London bullion market yesterday remained at a very low level... The metal was fixed at \$242.25 in the morning...

UK MONEY MARKET

Small seven day lending

Bank of England Minimum Lending Rate 13 per cent... The authorities relieved a light overall shortage of day-to-day credit in the London money market...

INTERNATIONAL MONEY MARKET

London Money Rates

Table with columns: Mar. 7 1979, Sterling Certificate on deposit, Interbank, Local Authority deposits, etc. Shows various London money market rates.

INTERNATIONAL MONEY MARKET

Money Rates

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Shows international money rates for various countries.

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allied function the Bank offers its own brokerage services and is active on all major German stock exchanges. Own investment funds round off BHF-BANK's broad institutional investor facilities.

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Base Rate Change BANK OF BARODA. Bank of Baroda announce that, for balances in their books on and after 8th March, 1979 and until further notice their Base Rate for lending is 13% per annum.

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NORTH AMERICAN NEWS

Aetna Life to merge with American Re-Insurance

BY JOHN WYLES IN NEW YORK

AMERICAN RE-INSURANCE Company has elected to move into the fold of the largest U.S. all-line insurer, Aetna Life and Casualty, on the basis of a \$341m merger agreement.

American Re-Insurance's advisors, Goldman Sachs, were lining up Aetna to close one of the largest insurance industry mergers for a long time.

regulatory agencies. Assuming the deal goes through, Aetna says it will maintain its new acquisition as a separate entity.

American Re-Insurance has assets of \$1bn and earned \$26.5m, or 4.53 a share, in the first nine months of last year.

Dainippon wins U.S. bid battle

BY STEWART FLEMING IN NEW YORK

RHONE-POULENC, the French chemicals company, is retiring from the battle for control of U.S. printing equipment manufacturer Polychrome.

U.S. a contested takeover bid for an American company by foreign corporations. It could well signal a fundamental policy decision by Rhone-Poulenc, whose officers have indicated that failure to win control of Polychrome might cause it to pull out of the printing business.

Dainippon will now press ahead with its tender offer for Polychrome, which closes at noon on March 12.

Dainippon Ink is lifting its takeover offer for Polychrome from \$25 a share to \$26 a share, valuing the U.S. company at \$62m.

It is thought that the French company, which operates mainly in the chemicals, pharmaceuticals and health-care fields, may now decide that its printing interests are too small to be worthwhile and will therefore dispose of them.

It became clear early on that Polychrome, which had sales revenues last year of \$111m and net income of \$4.8m, was leaning towards the Japanese company as a preferable partner.

Mexican steel losses reduced

BY WILLIAM CHISLETT IN MEXICO CITY

FUNDIDORA MONTERREY, the steel plant which is 44 per cent owned by the Mexican government, reduced its losses last year and executives are hopeful that it can move into the black in 1979.

expansion which raised Fundidora's installed capacity to 1.5m tonnes at a cost of \$360.9m never bore fruit.

forms part of Sidermex, the Government's umbrella organisation for the steel industry, is slowly recovering.

The company, rescued by the government after the 1976 devaluation of the peso, raised output to 960,000 tonnes of steel ingot and products from 700,000 tonnes in 1977.

Losses fell from 700m pesos (\$30.9m) in 1977 to 500m pesos (\$22.1m) in 1978. This year, if production can be raised to about 1.2m tonnes, Fundidora could make a profit of about 100m pesos (\$4.1m).

Ylisa's production in 1978 was 1.4m tonnes; its installed capacity is 1.5m tonnes. Profits have not been officially announced, but are expected to be around 900m pesos (\$39.8m) compared to 738m pesos in 1977.

INTERNATIONAL BANKING

Go ahead for return to Tehran

BY JOHN EVANS

MAJOR foreign banks with offices in Iran have been given the green light by the central bank to return to Tehran.

Mr. Feudoun Naderi, Director General of Bank Markazi's international banking division, has said that he is sending telex messages to all the country's correspondent banks abroad, and inviting "their continued co-operation with our banking system."

They avoided the looting problems suffered by many foreign banks in Beirut during the civil war, when thefts were estimated at hundreds of millions of dollars.

There are question marks, however, over the foreign banks' equity interests in the Iranian private banking system, which suffered severely during the revolution.

Among foreign interests, Bank of America has a stake in the Foreign Trade Bank of Iran, in which Deutsche Bank and Banca Commerciale Italiana are also represented.

Most bankers doubt that foreign bank representation will recover pre-revolution levels, and feel that half the 70 offices may be closed.

There is little doubt in foreign bankers' minds, meanwhile, that an extensive rationalisation of the Iranian banking system, numbering some 35 banks, will be implemented in the future.

The reconstruction of the banking system will probably mean mergers between the smaller banks, and the absorption of weaker elements by the big state-owned entities, such as Bank Mellat Iran.

Reynolds Metals steps up production

By Our New York Staff

A FRESH pointer to yet higher prices for aluminium products in the U.S. has come from Reynolds Metals which plans to reopen idle capacity in Texas which was shut down partially because of its high production costs.

This move parallels a similar announcement last month from Aluminum Company of America and testifies to the current strengths of demand for primary aluminium ingots in the U.S.

Commonwealth Oil could emerge from bankruptcy

NEW YORK—Commonwealth Oil Refining (Corco) could emerge from the bankruptcy courts by the end of the year, according to Mr. C. Howard Hardesty, the former Continental Oil executive who last month was named chairman, president and chief executive officer of the financially troubled oil group.

Since March, 1978, Commonwealth has been operating under court protection of Chapter 11 of the Federal Bankruptcy Act.

Tiffany and Avon boards back merger

NEW YORK—The boards of the Tiffany company and Avon Products have approved the proposed merger under which Tiffany would become a wholly owned Avon subsidiary.

Terms call for Tiffany holders to receive 0.845 share of Avon for each Tiffany share. Tiffany holders will vote on the merger at a special meeting expected to be held in April.

Solid gain in Harsco earnings

NEW YORK—Harsco, the U.S. steel recovery concern, turned in an improved performance last year, with earnings per share advancing from \$1.33 to \$1.48.

Also recording a gain for the year was Harcourt Brace Jovanovich, the publishing concern, whose year-end figures rose from \$4.35 to \$4.80.

Advertisement for THE ISLAMIC REPUBLIC OF PAKISTAN, featuring Citicorp International Bank Limited and BankAmerica International Group. Includes text: 'THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN', 'US \$75,000,000', 'BANKERS ACCEPTANCE FACILITY', 'THE STATE BANK OF PAKISTAN', 'CITICORP INTERNATIONAL GROUP', 'BANKAMERICA INTERNATIONAL GROUP', 'THE BANK OF TOKYO, LTD.', 'MANUFACTURERS HANOVER LIMITED', 'STANDARD CHARTERED BANK LIMITED', 'GRINDLAYS BANK LIMITED', 'CITIBANK, N.A.', 'THE BANK OF TOKYO, LTD.', 'STANDARD CHARTERED BANK LIMITED', 'CITICORP INTERNATIONAL BANK LIMITED'.

EUROBONDS UOB plans \$25m floater

By Francis Ghitis

UNITED OVERSEAS BANK is to float a \$25m ten-year floater through a group of banks led by Credit Suisse First Boston.

This makes the issue more of a money market instrument and it is meeting with the investor's approval.

Prices in the sterling sector were up by a full point yesterday helped by a strong gilt market.

In the Swiss franc sector of the market prices of most bonds were easier yesterday, particularly where longer dated issues are concerned.

This public bond is part of a total financial package amounting to SwFr 1.5bn which includes a private placement of SwFr 500m and a loan of SwFr 700m.

Trading in the French franc sector of the market has been reduced to a trickle in recent days: the strike by employees of the Paris stock exchange and the increasingly morose social and political climate have had their impact here.

The Special Drawing Rights dominated bond amounting to SDR 20m arranged by S. G. Warburg for the Nordic Investment Bank started trading yesterday and was quoted at 99 1/2 by the lead manager.

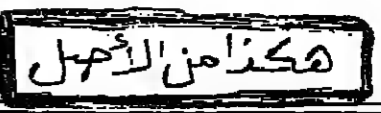
FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table of international bond issues with columns for U.S. Dollar, Deutsche Mark, Swiss Franc, and Eurobond prices. Includes sub-sections for UOB floater, FT International Bond Service, and Eurobonds.

Handwritten text at the bottom of the page: 'مکان العمل' (Workplace)

INTERNATIONAL COMPANIES and FINANCE



RESULTS IN Solid Gold in Harsh earnings

NEW YORK — Thomson-CSF, the electronics subsidiary of the French Thomson-Brandt group, is expanding its interests in the U.S. with the acquisition of the transistor division of Solid State Scientific, based in Pennsylvania.

Christiania Bank ahead

CHRISTIANIA BANK one of Norway's "big three" commercial banks, reports net profits of Nkr 55.3m (\$10.8m) in 1978 against Nkr 43.6m in 1977.

Currency exchange hurts SKF despite sales rise

BY VICTOR KAYFETZ IN STOCKHOLM
SKF the Swedish-based bearings, steel and machine tools group, reported that pre-tax profit for 1978 before exchange rate differences and extraordinary items amounted to SKr 207m (\$47.3m), up from SKr 158m the previous year.

Portugal and Renault near pact on new plant

BY JIMMY BURNS IN LISBON
THE PORTUGUESE authorities and Renault yesterday began what is believed to be the last stage in negotiations on the French company's plans for a new engine and components factory and the stepping-up of its assembly operations in Portugal.

Order upturn at Krupp Steel

BY ADRIAN DICKS IN BONN
THE STEEL-MAKING subsidiary of the Krupp Group, Fried. Krupp Huettenerwerke, says in an interim report to shareholders that any improvement in the profitability of the European steel industry in 1979 would depend on how far the European Commission succeeded in its proposals to cut back state subsidies and to help phase out obsolete plants.

German publisher to increase capital

BY GUY HAWTHIN IN FRANKFURT
FURTHER strengthening of its capital base remains the target of Bertelsmann, which claims to be the world's largest book publishing group. This is despite last month's decision by shareholders to increase its capital by DM 64m to DM 224.3m.

INI to absorb Ministry shares

BY ROBERT GRAHAM IN MADRID
MOVES TO co-ordinate the activities of the state holding company INI with the substantial economic interests held in trust for the state by the Ministry of Finance have been set in motion.

Increased dividend at PKbanken

BY OUR STOCKHOLM CORRESPONDENT
OPERATING profit of the state-owned PKbanken, Sweden's largest commercial bank, in 1978 was SKr 673.5m (\$154.8m) which was 24.2 per cent higher than the SKr 521.4m recorded the previous year.

Robeco group to launch commercial property fund

BY CHARLES BATCHELOR IN AMSTERDAM
THE ROBECO Investment Fund Group, whose total assets of F110bn (\$5bn) makes it the largest investment group in Europe, will launch an open-ended commercial property fund Rodamco on March 22.

Mannesmann buys into Latin America

MANNESMANN, the West German steel pipe and mechanical engineering group, has taken over majority control of Movicarga of Sao Paulo, Latin America's largest producer of mining machinery, writes Adrian Dicks from Bonn.

Advertisement for Dow Chemical Overseas Capital N.V. featuring a grid of logos for various international banks and financial institutions.

Advertisement for Yacimientos Petroliferos Fiscales Bolivianos (YPFB) featuring a large logo and text for a US \$47,000,000 Medium Term Loan, managed by Banco Central de Bolivia.

### The Bank of Tokyo, Ltd.

Negotiable Floating Rate U.S. Dollar  
Certificates of Deposit  
Series B Maturity date  
10 September 1980



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 8 March 1979 to 10 September 1979 the Certificates will carry an interest rate of 11 3/4% per annum.

Agent Bank  
The Chase Manhattan Bank, N.A.,  
London

### LONRHO LIMITED 1978 ACCOUNTS

Lonrho Limited has been informed by the Institute of Chartered Accountants in England and Wales that the Institute has received no complaints about the Lonrho Report and Accounts for the year to 30th September 1978.

The Institute has advised that the setting up of a small committee to look at accounts is purely a normal routine matter where the accounts contain a reference to a departure from a statement of standard accounting practice. There are many such informal committees sitting at any one time looking at such points of interest in the published accounts of companies.

## Buying spree helps Stanbic to target

BY JIM JONES IN JOHANNESBURG

STANDARD BANK Investment Corporation (Stanbic) has announced attributable earnings of R29.5m (\$34.5m) for the nine months to December 31—an increase of some 25 per cent in annual terms over the R31.2m for the year to March 31, 1978. The company, an offshoot of Standard Chartered of the UK, has changed its accounting year end from March to December. In Stanbic's annual report for the year to March 31, 1978, the management set a group target of return on shareholders' funds of at least 16 per cent. The target has been met, after allowing for the shorter accounting period. The accounting period change makes comparison with the previous 12 month period imprecise. But for the nine months the return on shareholders' funds ran at 12.26 per cent (18.35 per cent in annual terms) against 15.7 per cent during the preceding year. Stanbic has been helped towards its profit improvement by the introduction of the 4 per cent general sales tax last July. Before the introduction of the tax, consumers went on a buying spree, pushing up demand for credit. The results of UDC Bank have been included for the first time, helping to lift attributable earnings. Without UDC, the percentage increase would have been 17 per cent. However, additional shares issued to effect the purchase of UDC in April 1978, reduced the adjusted per share earnings increase to 14.5 per cent. For the nine month period, Stanbic has declared total dividends of 24 cents per share, against 28 cents in the year to March 31, 1978.

## Improvement at Unisec

BY OUR JOHANNESBURG CORRESPONDENT

PRE-TAX profits for Unisec, the South African investment company, increased to R6.54m (\$8.26m) in 1978 compared with R6.44m for the previous year. Consolidation of the property investment subsidiary, Unidev, for the full 12 months played a large part in Unisec's 1978 earnings improvement. Unidev has one of the best property portfolios in the greater Johannesburg area. In the year to December 31, Unidev contributed R524,000 to Unisec's R6.2m taxed earnings. In 1977 when it was consolidated for only six months, the property subsidiary's contribution was R189,000 of the year's R5.5m earnings. The remainder of last year's improvement followed from early switching of the portfolio into gold and diamond stocks. But the management is confident that with an improving property market, Unidev's contribution will continue to keep pace with earnings growth from the rest of the investment. Although earnings per share rose from 12.7 cents to 14.3 cents in 1978, Unisec has been less generous in its dividend distribution. The year's total dividend was increased from 10.5 cents to 11.25 cents. In line with the rest of the Johannesburg market, Unisec has weakened from a recent high 136 cents to its current 127 cents.

## Slowdown at merchant banks in Malaysia

By Wong Sulong in Kuala Lumpur

THREE Malaysian merchant banks have this week announced results which depict the difficult times met last year when merchant banks had to face a situation of tight liquidity and narrow spreads. Aseambankers Berhad, the most prominent of the 12 merchant banks in the country, reported pre-tax profits of 2.77m ringgit (U.S.\$1.3m) for 1978, a few thousand ringgit more than in the previous year. The bank said that considering the difficult year, the results were "good." Particularly impressive was the growth of income from fees, which rose from 1.3m ringgit to 2.3m ringgit. Fees, as opposed to fund-based income, constitute 40 per cent of the revenue for Aseambankers, and this is well above the 30 per cent target laid down by the Malaysian central bank, which the merchant banks must reach by the end of 1981. Instead of paying a dividend, Aseambankers is capitalising on its reserves to make a one-for-five scrip issue to bring paid-up capital to 12m ringgit. In recent weeks, the bank had taken a 30 per cent stake in Kota Discount House, the fifth discount house in Malaysia. Pre-tax profits of UDA Merchant Bankers for last year were 1.5m ringgit (U.S.\$635,000) or 50,000 ringgit less than in the previous year. The bank's assets, deposits and loans were almost unchanged during the year.

## Holderbank takes stake in Queensland cement plan

BY JAMES FORTH IN SYDNEY

QUEENSLAND Cement and Lime Company (QCL) has announced an ambitious A\$86m (some US\$100m) expansion programme designed to ensure that production of cement is sufficient to supply the needs of the state. The directors yesterday announced a complex project financing package, which will include taking in the major Swiss cement group, Holderbank Financiers Glaris, as a 25 per cent shareholder. The State Government Insurance Office of Queensland (SGIO), which is already among the larger shareholders, will also end up with a 25 per cent stake. QCL has negotiated agreements to secure access to A\$98m, to allow for A\$12m standby facilities in case of a cost overrun or a shortfall in internal cash flow. The package, which was put together by the merchant bank, Schroder Darling, involves term loans, convertible debentures, subordinated debt, share placements and a rights issue to shareholders. It is ambitious because the capital of the company at present is only A\$14.66m and the shareholders' funds about A\$34m. The major portion of the funds will come from A\$33m in secured term loans. The Australian Resources Development Bank will put up A\$25m, the SGIO A\$18m (which carries a state government guarantee), the Australian Industry Development Corporation A\$15m and the National Mutual Life Office A\$2m. A placement of up to 6.56m shares will be made to Holderbank and up to 5.86m shares to SGIO, both placements will be made at A\$1.25 a share. A further A\$3.8m will be raised from existing shareholders through a one-for-four rights issue at A\$1.00 a share. The placements and rights issue will lift QCL's capital to A\$30.9m. Holderbank will put up subordinated loans of up to A\$9.72m and SGIO A\$570,000, while a further A\$6.3m will come from a convertible debenture issue, with A\$1.5m reserved for prior subscription by shareholders and the remainder to be placed with selected investment institutions. Overall, Holderbank has agreed to contribute A\$19m in shares and subordinated loans, while SGIO will put up a total of A\$28m. The directors of QCL expect to pay dividends of at least 10 cents a share on the enlarged capital. The project involves establishment of limestone and clay mining operations on the central Queensland coast and pumping the slurry 25 miles in a pipeline to Gladstone, where a cement clinker plant will be built. The clinker will be ground at the existing mill near Brisbane. Work is expected to start soon. At present QCL cannot supply demand from its clinker plant near Brisbane and had been importing clinker from the South Australian cement group, Adelaide Brighton Cement. The directors said they considered that reliance on imported clinker of cement would prove disadvantageous in the long term to shareholders and cement consumers. QCL eventually end up acting solely as a wholesaler of cement. They said it was clear the funding programme would place a burden on the company's cash flow, both in the cost of servicing the new capital and in meeting loan repayment commitments. The company must therefore generate increased sales revenue which would come partly from increased volume of sales and partly from a lift in cement prices. The response of Adelaide Brighton, which has considerable excess capacity to the loss of its Queensland clinker market will be interesting. Some industry observers believe the company could install a bulk cement terminal near Brisbane and take on QCL in its home market.

## Trading profit down at Waltons

BY OUR SYDNEY CORRESPONDENT

RETAIL GROUP Waltons managed to lift net earnings on trading operations by only 4 per cent from R\$3.57m to A\$3.7m in the six months to January 31. On a pre-tax basis the trading profit dropped 16 per cent from A\$5.3m to A\$4.4m, but the tax provision was slashed from A\$1.7m to A\$735,000. The directors gave no reason for the much lower increase in the trading operating profit to A\$4.4m. The lower pre-tax earnings in the latest half is in contrast to several retail groups, which reported buoyant Christmas sales. The directors said that the rose 5.4 per cent from A\$1.6m to A\$1.66m. Sales were a factory in New South Wales but below expectations in Victoria and Queensland. Sales in wearing apparel showed satisfactory increase - demand continued to be depressed for consumer durables, which in turn affected volume in instalment credit. Waltons had a poor year in 1977-78 with earnings falling more than 6.2 per cent to A\$2.5m. In the last half the group incurred a loss of A\$1.5m. After this result, Waltons entered into a "technology agreement" with the world largest retail group, Sears Roebuck, but little has been given about the link.

## Acmil in hardware offer

BY OUR SYDNEY CORRESPONDENT

ACMIL, one of Australia's largest manufacturing groups, has made a A\$12m (U.S.\$13.48m) offer for hardware group, Dickson Primer (Consolidated). The directors of Acmil said the scheme represented a merger of interests rather than a takeover and that several of its activities would benefit through economies of scale and geographical location. The merchandising operations would be of particular benefit to Acmil. The offer is two Acmil shares plus 25 cents cash for each Dickson Primer share. Based on Acmil's market price the offer values Dickson Primer shares at A\$1.69 compared with a p/c offer market price of A\$1.36. The family interests of the Dickson Primer chairman and managing director intend to accept. The offer is conditional on Dickson Primer not declaring the interim dividend which would normally be paid in June. This will be replaced by a special dividend from Acmil of 2.5 cents for each new share issued under the offer. The new shares will then rank for normal Acmil dividends, starting with the final payment in November. The Acmil directors expect to maintain the existing annual dividend rate of 3.25 cents on the increased capital.

## Japan Styrene

PARIS—Japan Styrene, a unit of Mitsubishi Gas Chemical is to acquire an 11 per cent interest in the French plastics concern Plastiques Douff S.A. at a cost of FF 250,000 (\$58,000) according to Chimie Hebdo, a weekly industry publication. AP-DJ

	14.5.78 = 100%		
PRICE INDEX	63.79	AVERAGE YIELD	6.57%
OM Bonds	102.77	OM Bonds	6.95%
HFL Bonds & Notes	95.89	HFL Bonds & Notes	6.59%
U.S. 5 Yr. Bonds	95.62	U.S. 5 Yr. Bonds	8.15%
Can. Dollar Bonds	95.73	Can. Dollar Bonds	10.20%

Excerpts from the Annual Report for the nine-month fiscal period from January 1 to September 30, 1978

# Groupe Bruxelles Lambert S.A.

Groupe Bruxelles Lambert S.A.  
44.1% 100%  
Banque Bruxelles Lambert Compagnie Bruxelles Lambert

Net Assets	September 30, 1978		September 30, 1977	
	Millions of BF	%	Millions of BF	%
Corporate premises, furniture, equipment	10,116.1	20.3	9,286.6	30.7
Companies carried at equity in net assets	4,540.0	9.1	3,260.3	10.8
Investments	11,898.0	23.7	10,560.6	34.9
Railroad equipment	16,438.0	32.8	13,820.9	45.7
Land and real estate assets	10,801.7	21.6	2,597.6	8.6
Receivables	2,610.6	5.2	689.3	2.3
Cash and equivalents	1,742.0	3.5	56.1	0.2
Other assets	446.6	0.9	353.7	1.1
Current banking and financial assets	1,023.0	2.0	437,796.8	14.9
less: current banking and financial liabilities	(524,113.1)		(434,352.9)	
Net current banking and financial assets	6,901.6	13.8	3,443.9	11.4
Gross Assets	50,079.6	100.0	30,248.1	100.0
less: current liabilities	(4,520.9)	(9.0)	(2,505.2)	(8.3)
Capital invested	45,558.7	91.0	27,742.9	91.7
less: medium and long-term liabilities	(10,889.9)	(21.8)	(4,522.1)	(14.9)
Net Assets	34,668.8	69.2	23,220.8	76.8
attributable to Groupe Bruxelles Lambert S.A.	17,488.1		12,386.5	
attributable to others	17,180.7		10,834.3	

### Asset Breakdown

per industry:

Banks	37%
Investments	28%
Broadcasting	9%
Steel, nonferrous metals, metalworking	3%
Insurance, financial services	3%
Food	3%
Oil	2%
Contracting and engineering, utilities	2%
Real estate	1%
Merchandising	1%
Travel and transportation	1%
Beverages	1%
Miscellaneous industries	2%
Railroad equipment	22%
Land and real estate	5%
Other assets	8%
	100%

per country:

Europe	94%
Belgium and Luxembourg	64%
West Germany	17%
France	7%
Other countries	6%
America	4%
Africa	2%

### Remark

In 1978, Groupe Bruxelles Lambert, Compagnie Bruxelles Lambert and Banque Bruxelles Lambert all closed their fiscal years for the first time on September 30. Accordingly, Groupe Bruxelles Lambert S.A. had a fiscal period of 9 months, Compagnie Bruxelles Lambert of 15 months and Banque Bruxelles Lambert of 6 months.

In order to allow comparisons with future years, we have therefore prepared a consolidated income statement for a twelve-month period from October 1, 1977 to September 30, 1978. Yet while the income figures were restated with the utmost care, they should be looked upon as pro forma data only.

### Net Income

Income before depreciation but after taxation was BF 4.04 billion, half of which was attributable to Groupe Bruxelles Lambert S.A. Net income totalled BF 2.3 billion, BF 1.1 billion of which was attributable to Groupe Bruxelles Lambert S.A. and BF 1.2 billion to others.

### Net Asset Value

At the end of September 1978, the net asset value per share was BF 4,377, goodwill excluded, compared with BF 3,097 a year earlier.

### Dividend

At the general meeting of stockholders the payment of a cash dividend of BF 90 per share has been decided to the 4 million shares of common stock outstanding.

Copies of the Annual Report are available on request to the Secretary  
24, avenue Marix, 1050 Brussels

Copies of the Annual Reports of Compagnie Bruxelles Lambert and Banque Bruxelles Lambert are available on request to the corporate headquarters of these companies.

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WORLD STOCK MARKETS

Companies and Markets

Early Wall St. advance of 11.3 in active trade

INVESTMENT DOLLAR PREMIUM \$2.60 to 1-78 1/2 (80%) Effective \$2.0435 3/4 (40%) STOCKS ON Wall Street, after Tuesday's minor setback, staged a fresh widespread advance to active trading yesterday morning as the outlook for Iranian oil exports improved and hopes for the resumption of some international problems were raised.

mid-east peace talks moving again. The steady tone for the dollar recently and a firmer bond market also helped sentiment. UY Industries topped the active list but were unchanged at \$33. Blocks of 200,000, 150,000 and 110,000 shares were traded at \$34. Two weeks ago, Sharon Steel, which already held 16 per cent of UY, attempted to buy 1.3m more shares in a large block, but a Moino Court blocked the attempt. UY is seeking to liquidate.

speculation, gained further ground. Financial Federation rose \$1 to \$321. THE AMERICAN SE Market Value Index was 0.88 higher at 165.01 at 1 p.m. Volume 1.63m shares (1.88m).

picked up 24.44 to 6,017.28. There was renewed buying interest for speculative issues and export-oriented stocks, while resource-related shares, especially Nippon Oil and Arabian oil, advanced on reports that Indonesia is planning to cut its supply of crude oil by 10 per cent in the April-June period. Japanese oil industry officials, however, denied the reports about the Indonesian oil cutback.

DM 1.50, while AEG added DM 1.10. In the Engineering sector, KHD added DM 1.10 and MAN DM 1.00, but Linde declined DM 1.50. Luftansa added DM 2.00 and Degussa DM 2.50.

News of Federal Government approval for new coal sales to Japan coupled with rising oil prices gave selected coal stocks a boost, with Thesaco gaining 10 cents to \$22.80 and Howard Smith 8 cents to \$45.58. CSR hardened 3 cents more to \$33.60. The company is one of the coal suppliers just signed up with the steel mills and in addition does have an interesting oil prospect at Julia Creek in Queensland.

Closing prices and market reports were not available for this edition. 52 cents in \$55.40 and advances expected decline by more than a three-one-one margin. There was a sharp increase in turnover to 21.33m shares from the previous day's 1 pm figure of 13.95m.

Canadian Shares picked up from an earlier start to present a mixed appearance on balance at midday after heavy dealings. The Toronto Composite Index was 0.3 higher at 1,386.6 at noon, while Golds gained 0.20 to 1,331.9 and OilHites 0.77 to 20.88, but Oils and Gas lost 11.4 to 1,998.0 and Boks 0.58 to 203.37.

Germany Shares prices were mixed with a firmer bias after lunch trading. Reports from the Frankfurt spring fair signifying sentiment in the Stores sector. The Commerzbank index recorded a gain of 1.2 at \$01.5.

Among Stores, Karstadt advanced DM 5.00 and Neckerman DM 4.00, while Hirtel and Kaufhof gained DM 2.50 apiece. Siemens, in Electricals, put on

DM 1.50, while AEG added DM 1.10. In the Engineering sector, KHD added DM 1.10 and MAN DM 1.00, but Linde declined DM 1.50. Luftansa added DM 2.00 and Degussa DM 2.50.

cents up at \$36.00 and Southern Pacific 30 cents higher at \$32.50. News of Federal Government approval for new coal sales to Japan coupled with rising oil prices gave selected coal stocks a boost, with Thesaco gaining 10 cents to \$22.80 and Howard Smith 8 cents to \$45.58.

Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like Abbott Labs, AM International, etc.

Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like Corning Glass, CFC International, etc.

Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like Johnson Johnson, Johnson Control, etc.

Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like Reynolds Metals, Reynolds R, etc.

Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like Woolworth, Wm. Wrigley, etc.

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Table with columns: Stock, Mar. 7, Mar. 8. Lists various stocks like AEG, Alcatel, etc.

Table titled 'EUROPEAN OPTIONS EXCHANGE' with columns: Series, Vol, Last, etc.

Table titled 'BASE LENDING RATES' with columns: Bank, Rate, etc.

Table titled 'STOCK MARKET INDEXES' with columns: Index, Price, etc.

Indices

Table with columns: Index, Price, etc. Includes NEW YORK, DOW JONES, etc.

Table with columns: Index, Price, etc. Includes STANDARD AND POORS, etc.

Table with columns: Index, Price, etc. Includes MONTREAL, JOHANNESBURG, etc.

Table with columns: Index, Price, etc. Includes AUSTRALIA, etc.

Table with columns: Index, Price, etc. Includes GERMANY, TOKYO, etc.

Table with columns: Index, Price, etc. Includes BRUSSELS/LUXEMBOURG, AMSTERDAM, etc.

Table with columns: Index, Price, etc. Includes COPENHAGEN, etc.

Table with columns: Index, Price, etc. Includes SWITZERLAND, etc.

Table with columns: Index, Price, etc. Includes VIENNA, MILAN, etc.

Large vertical advertisement on the right edge of the page, partially cut off.

COMMODITIES and AGRICULTURE

Companies and Markets

Brazil to maintain soya quota

RIO DE JANEIRO—Brazil is not planning to cut back on her 1.1m tonnes or so of soya-bean export quotas issued for the current crop, sources from the Foreign Trade Department of the Bank of Brazil (Caixa) said here.

Australian fishing zone 'next month'

ANBERRA—Australia will probably declare a 200-mile fishing zone around its coast next month, Mr. Ian Sinclair, primary industry minister, said yesterday.

Shortage fears boost lead

BY JOHN EDWARDS, COMMODITIES EDITOR

CASH LEAD jumped to a record price on the London Metal Exchange yesterday as the "squeeze" on nearby supplies tightened.

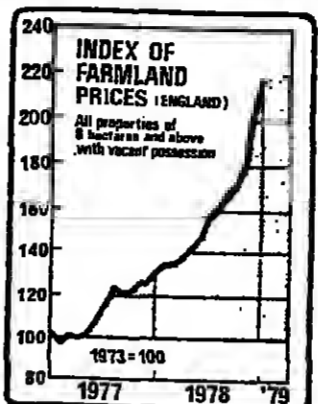
Historically, new supplies of lead—especially scrap lead—have been quickly attracted to the market when prices are high to relieve any real shortage.

over the three months quotation. Copper cash wirebars closed £8.25 up at £93.5 a tonne.

Farm land prices rise sharply

BY CHRISTOPHER PARKES

THE PRICE of farm land in England has taken yet another sharp surge upwards.



Agriculture yesterday showed that in the three months to January the average price rose to £4,090 a hectare (£1,656 an acre).

There was however, a sharp fall in the amount of land changing hands in the period under review.

French farmers halt campaign

PARIS—French pig farmers have called off a protest campaign against foreign meat imports during which demonstrators attempted to stop farm produce coming from West Germany, Belgium and Luxembourg.

ZAMBIAN AGRICULTURE The urgent search for maize supplies

BY OUR FOREIGN STAFF

ZAMBIA IS urgently seeking supplies of maize from other African countries to make good the disastrous shortfall in its own production, agricultural experts say.

Talks are underway with Kenya and South Africa after Zambia's maize crop was halved because of poor rains, late fertilizer delivery and a sharp drop in the area planted.

Britain has denied that it was acting as mediator to persuade the Tanzanian Government to re-open its border with Kenya so that maize could pass through to Zambia.

Bid to curb frozen pea trade disruption

BY CHRISTOPHER PARKES

BIRDS EYE has taken action to outflank the "cowboys" who, it claims, have been undermining the conventional market for frozen peas.

Under a new scheme the company aims to absorb the surplus, non-contracted production which has kept unorthodox traders supplied to the detriment of the established frozen food businesses.

run as a joint venture with the company's contract growers. It has been instituted following a successful trial run with a few Lincolnshire farmers last year.

While the special varieties of peas grown for the Birds Eye label are paid for at fixed contract rates, the crops produced under the new scheme will be paid for according to the "best price" the company can make on the free market.

could probably manage to work profitably in this market. But it has been concerned that any company entering it should maintain the highest quality standards which had helped the established frozen food trade to win such a valuable share of food sales.

Mr. Coburn, who warned last year that there might not be enough frozen peas to keep Britain supplied until the start of the new season, added that supplies were still extremely tight.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firm but well below the highest levels on the London Exchange. Forward metal rose £100 on the market following overnight U.S. trend which implied speculative short covering.

LEAD

Higher influenced by the trend in copper and lead. Forward material opened around £285 and rose to touch £290.50 by the close.

ZINC

Higher influenced by the trend in copper and lead. Forward material opened around £235 and rose to touch £240.50 by the close.

INSURANCE BASE RATES

Property Growth 12% Vanburgh Guaranteed 10% Address shown under Insurance and Property Bond Tables.

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L.A. (BILL) BRIGHTON Charterhouse Appointments would like to take this opportunity of welcoming Mr. Bill Brighton to his association with our Company in the capacity of Search Consultant.

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Table with columns for single column, per line, and rates for Commercial and Industrial Property, Personal and Investment Opportunities, etc.

Commercial and Industrial Property... Personal and Investment Opportunities... For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4P 4BY.

Potato Board lifts support price

BY OUR COMMODITIES STAFF

THE POTATO Marketing Board announced yesterday it is increasing prices paid for potatoes under its crop buying programmes.

The Board, bought 450,000 tonnes under the first support buying programme. It says, however, that to control the market properly it needs to hold more than the estimated surplus this year of 500,000 tonnes.

Only growers actually delivering potatoes to the Board will receive the higher prices offered ranging from £48 in March to £51 in June/July for main crop.

Compensation prices, paid for surplus potatoes left on farms, will also be raised to £43.50 for maincrop and £41.50 for early varieties.

guaranteed level for growers. So far it has received offers of 200,000 tonnes. But the Board says the rate of offers has declined in recent weeks so it has introduced the higher payments.

One of the main reasons why the offers have declined is that the market price has risen sharply as a result of frosts and snow which restricted market supplies.

Subsequently farmers have been more preoccupied with catching up with farm work rather than "dressing" potatoes, but it is feared a surplus of delayed supplies may bring a fall in market prices again.

COFFEE

London drifted lower in fairly active conditions but selling from one major source was well absorbed as the market made a slight recovery.

Higher influenced by the trend in copper and lead. Forward material opened around £235 and rose to touch £240.50 by the close.

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PRICE CHANGES

In tonnes unless otherwise stated.

Table with columns for Metals, Rubber, Soyabean Meal, and other commodities with price changes.

Table with columns for Tin, Lead, Zinc, and other metals with price changes.

Table with columns for Wheat, Barley, and other grains with price changes.

Table with columns for Sugar, Lard, and other commodities with price changes.

Table with columns for Wool, Hides, and other commodities with price changes.

Table with columns for Fish, Meat, and other commodities with price changes.

Table with columns for various commodities with price changes.

AMERICAN MARKETS

NEW YORK, March 7

Copper—March 89.55 (89.70), April 90.00 (89.20), May 90.50 (89.50), June 91.00 (89.40), July 91.50 (89.80), August 92.00 (89.90), September 92.50 (90.00), October 93.00 (90.10), November 93.50 (90.20), December 94.00 (90.30).

Chicago, March 7. Live Chicago loss 25.37 (26.87) net. New York prime steam 26.87 (27.00).

Chicago, March 7. Live Chicago loss 25.37 (26.87) net. New York prime steam 26.87 (27.00).

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Table with columns for Dow Jones, Financial Times, and other indices.

LONDON STOCK EXCHANGE

Buoyant tone demonstrated by All-share index record and fresh sharp gains of £1 3/8 in Government stocks

Account Dealing Dates... First Declara- Last Account... A fresh influx of investment funds drawn by considerations that the UK's economic situation has thanks to North Sea oil, improved relative to other industrialised countries made for buoyant conditions in stock markets yesterday.

two points lower at 78 1/2 per cent. Yesterday's SE-conversion factor was 0.7126 (0.7131). The Traded Option market attracted a high level of interest in keeping with the surrounding buoyancy. At the close, 1,647 contracts had been completed compared with the previous day's 865.

remains on current trading uncertainties, aimed 7 to 39p. Allied Colloids met persistent demand and rose 6 to 10 1/2p. Stores buoyant... The encouraging NIESR review on the outlook for consumer spending helped spark off considerable demand for the FT-Actuaries All-share index.

J. and H. E. Jackson. James Austin rose 6 to 12 1/2p on news that Trumans Steel Corporation owns 18.7 per cent of the company's share capital. Reviews of demand in a restricted market lifted Williams and James 8 to 17 1/2p.

on 7 to 17 1/2p, and the latter rose 10 to 22 1/2p. Firm spots among Motors and Distributors included Lucas, which improved 6 to 25 1/2p, and Downty, which added 9 to 25 1/2p. Group Lotus picked up 3 to 52 1/2p, while in Garages, British Car Auction, interim results next Monday, added 4 1/2 to 73p.

Some Darby's offer brought only a modest response from the former, which touched 50p before closing 2 better on balance at 51 1/2p; S.D. closed 2 lower at 97p. Golds edge higher... South African Golds made progress for the first time in eight trading days following the further 2 1/2 improvement in the London price to \$241.25 per ounce in front of the outcome to yesterday's International Monetary Fund meeting.

FINANCIAL TIMES STOCK INDICES table with columns for March 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1978, 1979.

HIGHS AND LOWS table with columns for High, Low, and S.E. Activity.

OPTIONS table with columns for DEALING DATES, Settlement, and various option types.

NEW HIGHS AND LOWS FOR 1978/9 table with columns for NEW HIGHS (199) and NEW LOWS (2).

ACTIVE STOCKS table with columns for Stock, Denomina- tion, Closing price, Change, 1978/79, 1979/79.

NOTICE OF REDEMPTION to the Holders of The Japan Development Bank Fifteen Year 5 3/4% Guaranteed External Loan Bonds Due October 15, 1979.

COUPON BONDS table listing various bonds with columns for Issue, Price, and Yield.

RECENT ISSUES table listing recent stock issues with columns for Issue, Price, and Yield.

LEADERS AND LAGGARDS table showing percentage changes for various stock sectors.

LONDON TRADED OPTIONS table with columns for Option, Price, and Volume.

RECENT ISSUES table listing recent stock issues with columns for Issue, Price, and Yield.

FIXED INTEREST STOCKS table listing fixed interest stocks with columns for Issue, Price, and Yield.

"RIGHTS" OFFERS table listing rights offers with columns for Issue, Price, and Yield.

FT-ACTUARIES SHARE INDICES

EQUITY GROUPS & SUB-SECTIONS table listing various equity groups with columns for Index, Day's Change, and Yield.

FIXED INTEREST table listing fixed interest securities with columns for Issue, Price, and Yield.

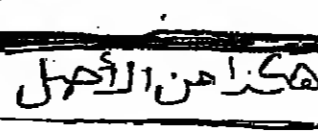


Table of financial data including 'STOCK INDICES', 'RISERS AND YESTERDAY', and 'INDICES'.

Table of 'UNIT TRUSTS' with columns for fund names, managers, and performance metrics.

Table of 'OFFSHORE AND OVERSEAS FUNDS' listing various international investment vehicles.

INSURANCE AND PROPERTY BONDS

Table of 'INSURANCE AND PROPERTY BONDS' listing various insurance and bond products.

Table of 'NOTES' and other financial information, including company names and contact details.

DATA 100 FOR COMMUNICATIONS WORLDWIDE Telephone Herald Harpstead (0442) 41141

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Shares, Price, and % Change. Includes sections for 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

INTERNATIONAL BANK

Table for International Bank with columns for Name, Shares, Price, and % Change.

CORPORATION LOANS

Table for Corporation Loans with columns for Name, Shares, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table for Commonwealth & African Loans with columns for Name, Shares, Price, and % Change.

LOANS

Table for Loans with columns for Name, Shares, Price, and % Change.

FOREIGN BONDS & RAILS

Table for Foreign Bonds & Rails with columns for Name, Shares, Price, and % Change.

BONDS & RAILS—Cont.

Table of Bonds & Rails with columns for Name, Price, and % Change.

AMERICANS

Table of American Stocks with columns for Name, Price, and % Change.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and % Change.

BANKS & HP—Continued

Table of Banks & HP with columns for Name, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and % Change.

TIMBER AND ROADS

Table of Timber and Roads with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and % Change.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, and % Change.

ENGINEERING—Continued

Table of Engineering with columns for Name, Price, and % Change.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) with columns for Name, Price, and % Change.

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CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, and % Change.

ENGINEERING MACHINE TOOLS

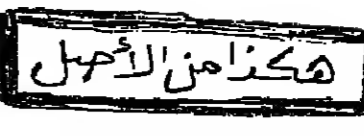
Table of Engineering Machine Tools with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

Table of Industrial (Miscellaneous) continued with columns for Name, Price, and % Change.

هكلمن الأهل



Financial Times Thursday March 8 1979

INDUSTRIALS—Continued

Table of industrial stock prices including companies like Shell, BP, and ICI. Columns include stock name, price, and change.

INSURANCE—Continued

Table of insurance stock prices including companies like London & Lancashire and Phoenix.

PROPERTY—Continued

Table of property-related stock prices including companies like British Land and Overseas Chinese.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various international and domestic trusts.

FINANCE, LAND—Continued

Table of finance and land-related stock prices including banks and real estate companies.

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MINES—Continued

Table of Australian mining stock prices including companies like Anglo American and Anglo Ashanti.

OILS

Table of oil stock prices including companies like Shell and BP.

TINS

Table of tin stock prices including companies like Inco and Anglo American.

OVERSEAS TRADERS

Table of overseas trader stock prices including various international companies.

COPPER

Table of copper stock prices including companies like Anglo American and Inco.

MISCELLANEOUS

Table of miscellaneous stock prices including various international companies.

RUBBERS AND SISALS

Table of rubber and sisal stock prices including companies like Guthrie and Guthrie & Co.

GOLDS EX-S-PREMIUM

Table of gold ex-premium stock prices including various international companies.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in sterling. Estimated price/earnings ratios and other financial ratios are given in parentheses where available.

TEAS

Table of tea stock prices including companies like Tata and Anglo Tea.

India and Bangladesh

Table of Indian and Bangladeshi stock prices including companies like Tata and Anglo Tea.

Sri Lanka

Table of Sri Lankan stock prices including companies like Ceylon Tea.

Africa

Table of African stock prices including companies like Anglo Ashanti and Anglo American.

MINES

Table of mining stock prices including companies like Anglo American and Anglo Ashanti.

CENTRAL RAND

Table of central rand mining stock prices including various international companies.

EASTERN RAND

Table of eastern rand mining stock prices including various international companies.

FAR WEST RAND

Table of far west rand mining stock prices including various international companies.

O.F.S.

Table of O.F.S. stock prices including various international companies.

FINANCE

Table of finance stock prices including companies like Anglo American and Anglo Ashanti.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including various international companies.

CENTRAL AFRICAN

Table of central African stock prices including various international companies.

REGIONAL MARKETS

Table of regional market stock prices including companies from various countries.

FINANCE

Table of finance stock prices including companies like Anglo American and Anglo Ashanti.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices including various international companies.

CENTRAL AFRICAN

Table of central African stock prices including various international companies.

OPTIONS

Table of option prices for various companies and currencies.

3-month Call Rates

Table of 3-month call rates for various currencies and companies.

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EEC set to reject UK's aid demand

MR. JAMES CALLAGHAN will almost certainly have a tough struggle convincing other EEC leaders at next week's European summit in Paris that Britain's economic growth rate is being impaired by the mounting cost to the Exchequer of Community membership.

This argument, which has been a central element in the UK's campaign to secure a favourable balance of resource flows between the EEC members, is flatly rejected in a confidential working paper prepared for the summit by the European Commission.

The paper also lends virtually no support to British demands that the EEC significantly expands its spending on regional and industrial aid to offset heavy expenditures on agriculture, which account for almost 75 per cent of this year's EEC budget, worth about £10bn.

Britain's contribution to the Common Agricultural Policy that it receives. This is the main reason for its increasing net contribution to the Community budget, estimated by the Treasury at almost £900m this year and likely to exceed £1bn in 1980.

But Britain's complaints, that this financial drain is diverting resources from its domestic economy, are brushed aside by the Commission paper.

It states: "The sums involved are too small to have any significant effect on the economic situation as a whole, at least in the later member states."

The paper acknowledges that net budgetary gains and contributions by individual member states do not always correspond to their economic strength, though it argues that it is difficult to assess the balance of advantage precisely.

The Commission does not suggest that any new measures are needed beyond its previously announced decision to press for a system of budget contributions which would have a less regressive effect.

In the Commission view, close convergence between the economies of EEC member states will depend primarily on better co-ordination of national policies both in the field of economic and monetary management and in the restructuring of industry.

It argues that the EEC regional, social and farm guidance funds should not be considered as short-term economic policy instruments but as sources of aid for the solution of structural problems. It recommends that the fund's resources should be increased, but that this should take place gradually.

The paper calls for a more efficient co-ordination of the funds as well as of lending by the European Investment Bank. But it does not take up the recent proposal made by Mr. Denis Healey, the Chancellor of the Exchequer, that the scope of the regional fund should be enlarged to cover areas in industrial decline instead of concentrating on agricultural regions as at present.

Surplus on invisibles drops by £613m

BRITAIN'S traditionally large surplus on trade in invisible items fell sharply last year, mainly as a result of a big rise in net contributions to the EEC and a deterioration in the balance of shipping earnings. A fall of £613m to £1.43bn in the invisibles surplus is disclosed in the fourth quarter balance of payments figures, published yesterday by the Central Statistical Office.

The decline is, however, somewhat less than originally estimated and there was an improving trend in the second half of the year.

The revision on invisibles is the main reason why the current account surplus for 1978 has been revised upwards to £2.4bn, compared with an original estimate in monthly trade statistics of £94m.

The deficit on visible trade last year narrowed by £569m and this was more than explained by the impact of rising North Sea oil and gas production and the fall in associated imports of equipment.

The North Sea had an unfavourable impact on the invisibles account because of a rise in profits due overseas of £100m, although this was less than expected because of production delays.

The main influence on the invisibles was an increase of £455m in the UK's net contribution to the EEC and an estimated deterioration of £300m on the shipping account as a result of reduced UK tanker activity and increased chartering of overseas ships.

The net surplus on travel fell by £221m to £877m, mainly as a result of a 16 per cent increase in the number of visits made by UK residents abroad, coupled with a levelling-off in visits to the UK.

The main increases in invisible earnings were achieved by civil aviation. City activities, such as insurance and banking, and by other services, such as professional advisers.

On the capital account, UK residents made substantial portfolio investments overseas for the first time since 1972. Net investment in overseas securities last year was more than £850m, compared with £49m in 1975, the only other recent year of net outflow.

This interest was stimulated by the relative attraction of Wall Street for some of the year and towards the end of 1978, by large purchases of Irish securities, possibly over £100m, following speculation about the possible results of the creation of the European Monetary System.

The rise in net overseas investment followed an easing of exchange controls at the end of 1977—the ending of the 25 per cent surrender rule—though purchases of foreign currency securities were largely financed by borrowing foreign currency from banks in the UK and abroad.

Official sterling balances fell by £119m during 1978 though private balances rose by just over £300m.

British companies in £30m cobalt deal

IN A DEAL probably worth more than £30m a year, a group of UK companies has signed a three-year contract for the annual supply of 895 tonnes of cobalt from Nchangang. Consolidated Copper Mines, the State-controlled Zambian group. The deal represents nearly 5 per cent of world production of 1978 levels of a vital mineral used in the aerospace industry, the manufacture of jet engines, permanent magnets and in the chemical and paint industries.

But with Zaire, the world's biggest supplier, having severe production problems and political uncertainty, supplies of the mineral are likely to fall this year. This will increase the importance of the UK contract and of Zambia as a source.

The names of the companies involved have not been given, but they are thought to include major UK consumers such as Rolls-Royce, BOC Minerals and Frith Brown.

The contract provides for an immediate loan to Nchangang of £14m, calculated at a base price for cobalt of \$18 a pound. Finance is provided by the Bank of America.

Nchangang will receive the cobalt price ruling at the time of delivery. The present Zambian producer price is \$25 a lb, which gives the contract a value of £118.8m, but the free market price, reflecting the international shortage, is \$41 a lb. On this basis, the current value of the contract is \$61.80m (£30.56m).

Zambia is the world's second highest producer, with 1,700 tonnes last year. Production this year is expected to reach 3,000 tonnes. It is thought that Zambia could eventually produce between 7,000 and 10,000 tonnes of cobalt annually.

Zaire's Shaba province has produced 70 per cent of world cobalt in the past. However, a rebel occupation of the Shaba province, centre of Katanga, has caused the evacuation of the 600 expatriate miners in the town. About 100 have now returned but there is continuing concern about security in the province. The shortage of skilled manpower and spare parts makes it highly unlikely that this year's production target of 15,000 tonnes will be met.

Paul Cheeswright, writes: Rolls-Royce, BOC Minerals and Frith Brown yesterday would not confirm that they were involved in the contract, nor would the Bank of America disclose details of the financing. BOC, however, is a Zambian customer of long standing.

It seems likely that the buying consortium consists of more than three companies and could embrace concerns such as Henry Wiggin, a major supplier of alloys to the aircraft industry.

By the end of January, Mr. Holmes said, the dollar had "gradually regained" its resilience, reducing the U.S. authorities' net current sales in quarter to \$4.9bn. The figures suggest that the U.S. has repaid some \$2bn of its drawings on swap lines with the German, Japanese and Swiss central banks. Repayments have not been made from funds raised through the sale of foreign currency-denominated U.S. bonds, Mr. Holmes said.

Overall, the Fed disclosed that gross market intervention

Expenditure Committee report criticises Barnett

MR. JOEL BARNETT, the Chief Secretary to the Treasury, was yesterday criticised by an all-party committee of MPs for his refusal to produce estimates of the impact of pay rises above the official guidelines upon public spending and borrowing.

In addition, the report recommends that in future the White Paper's assessment of the economy should be on a more realistic basis, rather than "a set of seemingly arbitrary projections", and should include more discussion about economic policy options, covering all likely eventualities.

The official view appears to be that the recent White Paper meets some of these criticisms by including three illustrative projections. Mr. Healey dismissed the implications of high pay settlement in the Commons at the end of January.

However, the report, as a whole, has a "tone friendlier to the Treasury than in years past," according to Mr. Alichael English, the Labour MP for Nottingham West and chairman of the sub-committee which prepared the report.

In particular, there is a welcome for certain improvements in the format and content of the White Paper, though there are continuing criticisms about the treatment of underlying spending and of the balance between capital and current expenditure.

The report argues that some of the recent cuts in capital spending seem to be "fake economies and the jamaging impact on the construction industry is neither sensible nor just." There is a reference to evidence, for instance, of the accelerating deterioration of sewers.

Details: Page 9

U.S. authorities took 'massive' measures to stabilise dollar

FEARING a "full scale run on the dollar," the U.S. authorities "intervened massively" to stabilise the currency in the wake of the Carter Administration's support package in November 1 last, Federal Reserve officials in New York said yesterday.

Looking more relaxed and confident than in early December when they last reported on official foreign exchange operations, Mr. Alan Holmes and Mr. Scott Pardee, Executive Vice-President and Senior Vice-President of the New York Federation said that on some days in November and December 1978 the authorities committed the equivalent of \$1bn to help the U.S. currency.

Partly no doubt to impress the foreign exchange markets with their determination to defend the dollar should the markets test their resolve again, the officials emphasised that the U.S. authorities had spent heavily and there was a high degree of co-ordination with the other major central banks also supporting the currency.

"The authorities" were taking on everyone in the market who threw dollars at the U.S., and "took on the market," Mr. Pardee remarked. While reserve diversification by some central banks selling dollars had been a problem for the dollar, it had been no worse than in 1973 when the dollar was under pressure.

In that year the Bundesbank on one day had spent the equivalent of \$2bn, Mr. Pardee pointed out.

Throughout the three-month period the U.S. authorities had sold the equivalent of \$6.9bn in Deutsche Marks, yen and Swiss francs to help the dollar. The previous record support by the U.S. was \$2.9bn in the August to October quarter last year.

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On Tuesday, Mr. Anthony Solomon, Under Secretary at the U.S. Treasury, indicated that since the end of January there had been a further reflow of funds into dollars, Mr. Holmes pointed out that the U.S. authorities had been "not buyers of foreign currency since the end of January" and indicated that the U.S. will aim to continue to acquire foreign currency as the dollar rises.

The Fed officials noted that there was "more concern about internal inflation" now in Germany and Japan.

by major central banks in the quarter totalled a record \$33.1bn, which compared with \$31bn in both the February to April and the August to October quarters of 1978.

WORLDWIDE TEMPERATURES

Table with columns for location and temperature. Locations include London, Moscow, New York, etc. Temperatures range from -14 to 30.

Lower spending to reflect ICI profit fall

Mr. Maurice Hodgson, chairman, said yesterday that although the group had maintained the level of sanctioned new expenditure at 1977 levels during last year, this had been possible only because it had "strong liquid resources."

benefits of higher sales had been more than offset by rising manpower and raw material costs.

in Western Europe especially, overcapacity, exacerbated by the threat of imports from Eastern Europe, continued to impose extreme pressure on prices which, for polypropylene in particular, are still at unprofitable levels," Mr. Hodgson said.

ICI cuts back its ambitious plans

The gilt-edged boom has done wonders for confidence in the stockmarket as a whole. Yesterday, at last, the All-share index broke through to an all-time high, while the 30-share index has now risen 11.3 per cent in just over three weeks.

Buyers of equities appear to be taking a long-term view of profit and dividend prospects: they are buying in spite of a number of dividend cuts by major companies, despite the depressing outlook for company liquidity, underlined yesterday by ICI, and in face of the effects of a rising currency on the export sector.

Talk of foreign inflows is again in the air, and sterling is at its highest level for a year on a trade-weighted basis.

ICI Some very high estimates for ICI's 1979 pre-tax profits—£650m or so against last year's £421m—are way above the mark if the Press conference held by the company yesterday to present its annual report is anything to go by.

Profitability this year is expected to be dependent on the extent to which price increases in petrochemicals, the consequence of sharply higher feedstock costs, can be made in stock, and the effect of the higher prices on demand for plastics and fibres. ICI maintains that so far the cost increases have been nowhere near passed on; higher labour costs and the January haulage dispute have only aggravated matters.

But worse is yet to come. Second quarter contract prices for naphtha, the basic feedstock, look like rising to \$240 a tonne, twice the levels of a year ago and \$30 above the first quarter. There is no suggestion from ICI that it is sitting on a pile of stock profits; more likely, heavy restocking will have to take place, not immediately offset by rising sales income. When the oil price does calm down all the old problems of European petrochemical overcapacity will still remain.

Already U.S. producers, more self-sufficient in feedstock, have a strong competitive advantage. ICI's investment programme is also somewhat awry. Lower profits last year combined with record capital expenditure to create an outflow of funds of £157m. This year fixed asset investments will be pushing up towards £300m, while working capital requirements will be inflated by higher raw material costs, another large cash outflow is likely. Ideally ICI would like to self-finance 80 per cent of its capital spending, rather than 60 per cent as in 1978.

This will require a severe cut-back of spending in 1980. Yesterday the company was serving solemn notice on its customers that higher prices are inevitable and will be here for some time, a point that it has been trying to put across since December. It will be a pity if the rather alarmist nature of some recent ICI announcements detract from the force of its arguments.

Euromarkets Despite a flurry of fixed interest bond issues in the opening weeks of 1979, the latest figures from the OECD demonstrate the emphatic trend in international capital markets away from fixed interest bonds and towards floating rate financing. Where in 1977 the volume of bond issues equalled that of syndicated loans in the fourth quarter of last year the rate of bond issues was only one-third that of such loans.

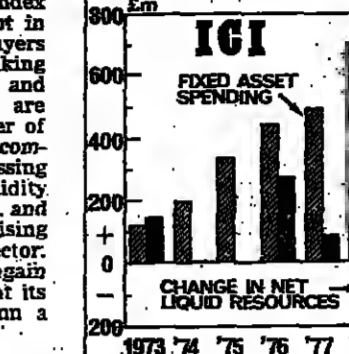
Even this understates the shift because two-thirds of the Euro-dollar bond issues in the fourth quarter were Floating Rate Notes.

The steadily growing demand for short term funds to finance long term borrowing has still had no impact on the "borrower's market." At the end of 1977 the borrower from a developing country had to pay 0.6 per cent more than the borrower from an industrial country. By the end of last year this difference had halved. Borrowers can now stretch floating rate loans out to 15 years—matching the longest Eurobond.

Is it possible that the world's borrowers are becoming addicted to a floating rate existence? The more conventional explanation for the trend is that borrowers remain con-

THE LEX COLUMN ICI cuts back its ambitious plans

Index rose 10.7 to 496.9



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Advertisement for Kienzle 2000 Office Computer. Features: High Speed Invoicing, Sales/Purchase and Nominal Ledgers, Payroll, Automatic Stock Control, Management Figures. Price: £50 weekly. Includes image of the computer unit and keyboard.

Continued from Page 1 EMS The Government will face during an extraordinary Parliamentary session an unemotional expected later this month. Margaret Van Hattem writes from Brussels: The French Government's decision does not, in itself, resolve all the difficulties. The Council of Ministers has yet to approve the use of the new European Currency Unit for agriculture, as well as price rises for British, French, Italian and Irish farmers.